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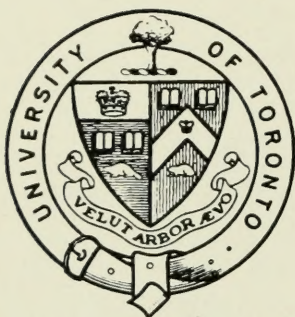
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Railway Accounts and Finance

Lafred Fisher




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THIRD EDITION.



RAILWAY ACCOUNTS

AND

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FINANCE

AN EXPOSITION OF THE PRINCIPLES AND PRACTICE
OF RAILWAY ACCOUNTING IN ALL ITS BRANCHES.

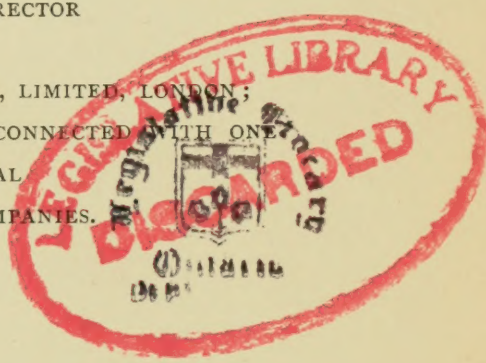
BY

J. ALFRED FISHER,*

JOINT MANAGING DIRECTOR

OF

BELL'S UNITED ASBESTOS COMPANY, LIMITED, LONDON;
AND FORMERLY FOR MANY YEARS CONNECTED WITH ONE
OF THE PRINCIPAL
ENGLISH RAILWAY COMPANIES.



London:

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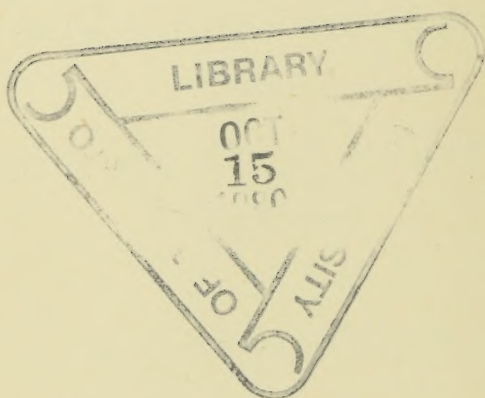
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TO THE
DIRECTORS AND OFFICERS
OF
THE RAILWAYS OF THE UNITED KINGDOM
THIS VOLUME
IS
RESPECTFULLY DEDICATED
BY
THE AUTHOR



PREFACE TO THIRD EDITION.

IT has not been thought necessary to make many alterations in the text of this edition. Variations in form and detail, connected with the compilation of statistical and other returns, have been made since the publication of the Second Edition; but the principles of Railway Accountancy involved in recording and controlling expenditure and receipts, and in effecting periodical settlements between companies through the Railway Clearing House and otherwise, remain unaltered.

These principles have now, however, a far wider application than formerly. This is due not only to natural expansion and development, but to the larger acquisition by Railway Companies of subsidiary services such as steamboats, harbours, docks, highway motors, hotels, &c., and to requirements in consequence of closer co-operation between rival companies.

One of the great essentials of any system of Railway Accounts is its adaptability to the varied and ever-extending operations which expansion, rivalry, and co-operation are continuously and increasingly bringing about.

Without perfect organisation, and a system of accounts both sound in principle and elastic in working, arrangements for the interchange of traffic, through bookings of passengers and merchandise, pooling and equitable division of receipts and apportionment of expenditure would be impossible, because, short of complete amalgamation, they would lead to hopeless confusion and litigation.

The chief alterations in detail that are likely to take place in the near future arise out of the report and recommendations of the Committee appointed by the Board of Trade in the year 1906, "To consider and report what changes, if any, are desirable in the form and scope of the Accounts and Statistical Returns (Capital, Traffic, Receipts, and Expenditure) rendered by Railway Companies under the Railway Regulation Acts."

The results of this enquiry were given in a Report to the President of the Board of Trade on the 25th May 1909, and the principal changes recommended by the Committee have been embodied in a Bill to amend the law on the subject.

This Bill (a copy of which, together with the new forms prescribed, will be found in the Appendix) has not yet received the sanction of Parliament, but in all probability it will shortly do so without important modification.

It provides:—

(1) That the accounts and returns of Railway Companies shall in future be made up yearly. Companies will no longer be under an obligation to submit accounts half yearly (except where half-yearly accounts are required in connection with any guarantee of dividend under any existing statutory provisions), nor to hold general meetings of shareholders more than once a year, and Directors may, "if it appears to them that the profits are sufficient, declare and pay an interim dividend for the first half of any year, notwithstanding that the accounts are not audited for the half-year, and that a statement of accounts and balance-sheet for the half-year is not submitted to the shareholders";

(2) That the accounts shall be prepared in accordance with the forms set out in the schedule to the Bill;

(3) That they shall be signed by the officer responsible for their correctness and by the Chairman or Deputy Chairman of the Company;

(4) That they shall be made up to the 31st December in each year, "or such other day as the Board of Trade may fix

in the case of any Company or class of Companies to meet the special circumstances of that Company or class of Companies."

The Bill further provides that six copies of the annual accounts and returns shall be sent to the Board of Trade, and a copy to any shareholder or debenture-holder of the Company "who applies for" the same. There is no doubt that, as formerly, a printed copy of the accounts will be sent by post to every shareholder on the registers.

Other clauses provide for the filing by the "Registrar of Companies" of particulars of the share and loan capital, together with a copy of the general balance-sheet of each Company, and authorise inspection thereof by any person, who may also require a copy, or extract therefrom, on payment of merely nominal fees. The existing obligation, under the Railway Companies Securities Act, 1866, to file accounts relating to loan capital is abolished.

Powers are conferred upon the Board of Trade, subject to certain provisions for the protection of the Companies, to alter or add to the forms of account prescribed in the schedule to the Bill, and, on the application of any Company, the Board of Trade is empowered "to make, as respects that Company, any special variation in the form of the accounts and returns . . . which appears to the Board to be required for the purpose of adapting the form to the particular circumstances of that Company."

Clause 5 provides that—

"Nothing in this Act shall affect or limit any obligations imposed upon a Railway Company, or any rights or powers conferred upon the Board of Trade by section 9 of the Regulation of Railways Act, 1871, as amended by section 32 of the Railway and Canal Traffic Act, 1888, but the returns required of a Railway Company by those sections shall only be made at the instance of the Board of Trade, and at such times as the Board of Trade may direct."

Light railways already exempted under any special Act from the operation of sections 9 and 10 of the Regulation of Railways Act, 1871, will be exempt from the obligation "to prepare, submit, and forward accounts and returns under this Act; and the Board of Trade may exempt any Company or authority from that obligation if they are satisfied that the business of a Railway Company is merely subsidiary to the main business carried on by the Company or authority and that the Company or authority are under an obligation to publish their accounts in a form prescribed by the Board of Trade or to present them to Parliament."

TON AND PASSENGER MILE STATISTICS.

The amended forms of account prescribed in the Bill before referred to are the result of exhaustive enquiry by a Committee exceptionally well qualified to deal with a complicated subject.

It is no secret, however, that the view of several members of the Committee that the adoption and publication of what are known as Ton and Passenger Mile Statistics would be of real and practical value by enabling those responsible for the management of our railways to obtain a better grip of earnings and expenditure, and that this would result in increased efficiency and economy, was intended to be, and was, persistently maintained. The report says: "At an early stage of our deliberations it became evident that the usefulness of Ton Mile and Passenger Mile Statistics was a highly controversial question."

These terms are defined in the report as a "system of statistics based upon ton mileage and passenger mileage, taking as its foundation the principle of combining in a comprehensive figure the two factors of weight or number and of distance; the fundamental units (the ton mile and the passenger mile) being respectively one ton carried one mile and one passenger carried

one mile," and it was further stated that from such a system might be deduced—

"(1) The average train load of goods and of passengers, obtained by dividing the ton mileage and the passenger mileage respectively by the train mileage.

(2) The average wagon load and the average carriage load, obtained by dividing the ton mileage by the wagon mileage and the passenger mileage by the carriage mileage.

(3) Ton miles per engine hour.

(4) The average length of haul for goods and passengers respectively, obtained by dividing the ton mileage and the passenger mileage by the total tonnage and total number of passengers conveyed.

(5) The average receipts per ton per mile and per passenger per mile, obtained by dividing the goods receipts by the ton mileage and the passenger receipts by the passenger mileage.

(6) The average density of traffic per mile of road or per mile of track, obtained by dividing the ton mileage and passenger mileage by the length of road or by the length of track."

To those who may not be familiar with railway technicalities, the following examples may serve to illustrate what is meant by "train mileage," "ton miles," &c.

EXAMPLE NO. 1. ("TON MILE" STATISTICS.)

Let us suppose that fifteen hundred tons of merchandise and minerals have been conveyed a distance of thirty miles (this being assumed to be the total length of the road) in ten trains, each composed of twenty-five wagons, at a total charge of £135.

Therefore :—

10 (trains)	×	30 (miles)	=	300	= "Goods train mileage"
1,500 (tons)	×	30 (miles)	=	45,000	= "Ton miles"
45,000 (ton miles)	÷	300 (train miles)	=	150 (tons)	= "Average train load"
25 (wagons)	×	300 (train miles)	=	7,500	= "Wagon miles"
45,000 (ton miles)	÷	7,500 (wagon miles)	=	6 (tons)	= "Average wagon load"
45,000 (ton miles)	÷	1,500 (tons conveyed)	=	30 (miles)	= "Average length of haul"
£135 (total receipts)	÷	45,000 (ton miles)	=	0.72 pence	= "Average receipt per ton per mile"
45,000 (ton miles)	÷	30 (miles of road)	=	1,500	= "Density of traffic"



The "ton miles per engine hour" are ascertained by dividing the ton miles by the aggregate number of hours the engines were employed, say fifty hours.

Therefore :—

$$45,000 \text{ (ton miles)} \div 50 \text{ (engine hours)} = 900 = \text{"Ton miles per engine hour."}$$

EXAMPLE NO. 2. ("PASSENGER MILE" STATISTICS.)

We will assume that one thousand passengers are carried a distance of thirty miles (the total length of the railway) in eight trains of six carriages each, at a total charge of £100.

The method of ascertaining the "passenger mileage" is similar to that described above, viz.:—

8 (trains)	×	30 (miles)	=	240	= "Passenger train mileage"
1,000 (passengers)	×	30 (miles)	=	30,000	= "Passenger miles"
30,000 (passenger miles) ÷		240 (train miles)	=	125 passengers	= "Average train load"
6 (carriages)	×	240 (train miles)	=	1,440	= "Carriage miles"
30,000 (passenger miles) ÷		1,440 (carriage miles)	=	20.8	= "Average carriage load"
30,000 (passenger miles) ÷		1,000 (passengers)	=	30 miles	= "Average length of haul"
£100 (total receipts)	÷	30,000 (passenger miles)	=	0.8d	= "Average receipts per passenger per mile"
30,000 (passenger miles) ÷		30 (miles of road)	=	1,000	= "Density of traffic"

These are the simplest possible examples, and omit numerous important factors which materially affect results. The process of ascertaining the desired quotients becomes immeasurably longer, more complicated, and unreliable when the following points (not exhaustive, but sufficiently illustrative) are considered :—

(1) Nearly thirteen hundred million passengers and five hundred million tons of merchandise and minerals are carried in trains running a total distance of four hundred and twenty million miles on the railways of the United Kingdom yearly.

(2) Merchandise traffic consists of some seven thousand descriptions or groups, and is conveyed between several

thousand stations at rates or charges which vary widely according to the nature of the goods and the distance carried. Terminal charges, relatively to the station to station or mileage portion of the rates, may be more or less, according to distance.

(3) In proportion to area, the number of independent railways, joint, leased, worked, and branch or cross country lines, as distinct from main or trunk lines, is greater, the average distance between stations shorter, and the character of the traffic more varied in the United Kingdom than in any other country in the world.

(4) Running powers are exercised by numerous companies over the lines of other companies, and "through" traffic is constantly passing over the lines of several companies, some of which lines may be jointly owned. Moreover, traffic is often pooled and settlements effected irrespective of route.

(5) In vast numbers of instances no record is taken of the distance for which passengers and merchandise are conveyed, as in the case of season ticket passengers and "light" goods traffic. In respect of the latter, over five and a half million settlements a year made by the Railway Clearing House out of a total of seven and a half millions, are not effected on a mileage basis.

There can be no doubt, however, that in spite of these and other complications, the difficulties of enumeration and computation could be so far surmounted as to arrive at some approximate idea of the number of "ton miles" and "passenger miles" traversed each year.

But the important question is, to what practical use could this additional information be put in the daily working of the railways of this country, in the regulation of rates and fares, or in securing the most efficient and economical service?

Although the cost of compilation might be heavy, Directors would be shortsighted if they hesitated to sanction the necessary

expenditure, if it could be shown that a knowledge of average results expressed in ton and passenger mile units would give experienced administrators such an improved grasp of their business as would, in the event of leakages, wasteful expenditure, unremunerative working or lax supervision, enable them or their subordinate officers to locate the evil, or to exercise a better general control in operating a system in every section of which the conditions of working may vary.

The Committee stated in their final conclusions that the value of ton and passenger mile statistics appeared "to lie principally in the information which they place in the hands of the higher officials and directors with regard to the extent to which efficiency has been secured and improvements in working generally have been effected"; and that they provide "a method of separating the two principal causes which on any individual railway affect the earnings per train mile, namely, (1) changes in the average train load, and (2) changes in average charges."

It is difficult to see what value for the purpose of comparison a simple unit expressing the "average train load" would have, when it is considered that the composition of the load is constantly changing, and that the character of the traffic carried on one section of a railway may be, and frequently is, quite different from that conveyed on another section.

While an increase in the average load in one year compared with that of a previous year might mean increased efficiency or better supervision on the part of the loading staff, it is conceivable that it might mean exactly the reverse; for it is possible for trains conveying light goods to have been badly loaded, this fact being obscured by an increase in the volume of heavy traffic. In order to convey even an approximate indication as to the actual amount of work performed, it would be necessary when compiling the returns to separate every im-

portant class of traffic on every section of the railway, and to apply the ton mile principle to each—a process full of complications and yielding diverse and confusing results. Similar considerations would apply also to changes in average charges. Take a simple illustration:—

Let it be assumed that consignments, as under, are hauled at various rates per ton, a distance of 150 miles, viz:—

50 tons pig iron @ 8s. od. per ton	= £20 0 0
20 tons bricks @ 7s. 6d. per ton	= 7 10 0
1 ton drapery @ 48s. od. per ton	= 2 8 0
7 tons furniture @ 57s. od. per ton	= 19 19 0
<u>78 tons</u>	

Total receipts . . .	<u>£49 17 0</u>
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The ton mile and train mile figures work out as follows:—

78 tons	×	150 miles	= 11,700	= Ton miles
11,700 ton miles	÷	150 miles	= 78 tons	= Average load
£49, 17s. od.	÷	11,700 ton miles	= 1.0225d.	= Average rate per ton per mile
£49, 17s. od.	÷	150 miles	= 6s. 7.76d.	= Average receipt per train mile

Now let it be assumed that in another period the relative proportions of the same classes of traffic conveyed, have changed as follows:—

70 tons pig iron @ 8s. od. per ton	= £28 0 0
25 tons bricks @ 7s. 6d. per ton	= 9 7 6
1 ton drapery @ 48s. od. per ton	= 2 8 0
<u>4 tons furniture @ 57s. od. per ton</u>	= <u>11 8 0</u>
<u>100 tons.</u>	

Total receipts . . .	<u>£51 3 6</u>
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This works out as under:—

100 tons	×	150 miles	= 15,000	= Ton miles
15,000 ton miles	÷	150 miles	= 100 tons	= Average load
£51, 3s. 6d.	÷	15,000 ton miles	= 0.8188d.	= Average rate per ton per mile
£51, 3s. 6d.	÷	150 miles	= 6s. 9.88d.	= Average receipt per train mile

It is obvious that it would be fallacious to conclude that, because the average load had increased, as here shown, from 78

to 100 tons, the work of loading had been better supervised, when, possibly for want of proper control, the same number and size of wagons had been used for the 5 tons of drapery and furniture as were used for the 8 tons. It is claimed that ton mile statistics might often form a useful supplement to present methods of continuous supervision and check upon loading, but they could not by any possibility reveal such a defect as the one here supposed.

Moreover, it is difficult to understand what reliable conclusion could be drawn from the fact that the average receipt per ton mile had fallen from 1.0225 pence to 0.8188 pence without a knowledge also of the details of the weights and distances for each class of traffic, and the rates for the conveyance thereof. It would be equally fallacious to suppose that the average rate per mile for the above four commodities taken together could be of any use in fixing a rate for any particular commodity, say bricks or drapery, and it would be quite as useless as a factor "to be carried in the mind"—a point urged in favour of ton miles by one of the advocates of this system—when settling that rate.

It was stated in evidence that the present system of daily, weekly, and other records and returns of the actual loading of wagons and trains, of tonnage, earnings, expenses, and other details on all sections of the principal railways, provide those who are responsible for these and other matters with a practical, immediate, and constant means of supervision and check which could not be usefully provided in any other way.

Moreover, general indices of efficiency are provided by summarised results and comparative statements of earnings and expenditure in every department. These also include—

- (1) Earnings per train mile for each principal class of traffic, *viz.*:—Passengers, parcels, mails, &c., conveyed by passenger trains; and merchandise, minerals, &c., conveyed by goods and mineral trains.

- (2) Earnings per mile of line open for traffic.
- (3) Relative proportion of earnings for each class of traffic, as above, to total earnings.
- (4) Expenditure per train mile under every head of outlay in each department.
- (5) Relative proportion of expenditure to earnings, under every head of outlay in each department.
- (6) Relative proportion of expenditure, under every head of outlay, to total expenditure.

Now it must be obvious to any commercial mind that the best and most reliable test of efficiency and progress must always be a unit which shows actual earnings in relation to costs. There can be no better basis for this than the "train mile." Traffic charges, expenses of working and maintenance and renewals of engines, carriages, wagons, permanent way and stations, and even of general administration, are more or less directly affected by the number of miles trains are run. If the mileage is greater than that which is justified by the amount of traffic, this fact will be more quickly and more accurately revealed by a figure representing "average receipts" per train mile than in any other way, and it would be difficult to find a more reliable index of successful administration than an increase in the "net earnings per train mile" which represents the margin of receipts over expenses per train mile.

This margin may be increased by an increase in receipts as well as by a reduction in expenses, or reduced by a decrease in receipts as well as by an increase in expenditure. An increase or reduction of one penny in the net earnings per train mile on a train mileage of say fifty millions in the year would mean a gain or loss of over two hundred thousand pounds of net revenue, which would represent an increase or reduction of ten shillings per cent. in dividend on an ordinary stock of forty millions sterling.

It is true that when average receipts per train mile are found to be declining, a mere knowledge of this fact would not of itself enable the administration to place its finger upon the cause, any more than the average receipt per ton mile or per passenger mile would do. But the train mile figure is more reliable. As we have seen in the examples on page xiii, a decline in the average receipt per ton mile might be exhibited in consequence of an increase in heavy traffic carried at low rates and a decrease in light traffic carried at higher rates, while an increase in the receipt per train mile had actually taken place. For this and other reasons the ton mile figure is misleading or useless, while the train mile unit is relatively reliable and valuable.

An increase or decrease in the train mile unit, whether taken in relation to receipts or costs, must appeal with far greater force to Directors and chief officials than would a difference of a second or third decimal point of a penny in the average unit of receipt on a mixed tonnage. Without studying a vast amount of detail (supposing this to be available), the latter would not convey any useful meaning to the mind of the most skilful mathematician. On the other hand the average train mile results are readily intelligible not only to Directors and chief officials, but also to every intelligent member of the staff as well as to shareholders and to the "man in the street."

While it is a valuable index when considered in relation to receipts per goods train mile and per passenger train mile, it is also valuable when considered in relation to expenditure, and particularly in relation to many of the details of departmental outlay. Through its application, an abnormal increase or decrease under most heads of expense may be disclosed. An increase, for example, of twenty thousand pounds in locomotive running expenses might be justified by a corresponding increase in train mileage. In such a case the average expense per train mile under this head would show no variation. But if running

expenses increased by forty thousand pounds without a further corresponding increase in mileage, or if the mileage had been reduced without a corresponding reduction in running expenses, these facts would be brought to light by the train mile figure, and a case for investigation would be established.

In whatever way the train mile figure is looked at, variations in this unit must always appeal with great force to persons in positions of responsibility. Knowing exactly what such variations mean to shareholders and the public, and the enormous extent to which market values of stocks are affected by improvements in net results, Directors and chief officials would cause more prompt and searching enquiry into the causes of decline as evidenced by the train mile figure than into those indicated by any other unit of efficiency that could be placed before them.

If the case for the compilation of ton mile statistics be weak, that for the compilation of passenger mile statistics is admittedly weaker. Passenger fares, in the case of ordinary day-to-day traffic, are practically uniform on all the principal railways throughout the country. The fares are printed on the tickets issued, and passengers have the means of checking them by the distance, though probably it is more common for passengers to calculate the distance by the fare. No distinctions are made, so far as the fares are concerned, between gouty or delicate passengers and strong, nor between slender and corpulent, unless they require special accommodation. All are charged alike according to the class of carriage in which they travel.

If, therefore, it is mainly a question of the average load, then seeing that ninety-five per cent. of the passenger traffic of the United Kingdom is third class, this is best indicated by the average receipt per passenger train-mile.

Although the Committee appointed by the Board of Trade say that, in general, the arguments advanced in connection with ton



mile statistics apply also to passenger mileage, they point out in their report that—

“In the first place, passenger traffic is less under the control of the operating staff than goods traffic. Quick and convenient service becomes a consideration of the first importance. While it is possible by means of short delays to increase the loading of goods trains, such methods are, as a rule, quite impracticable in the case of passenger trains. Efforts to secure heavy loads of passengers are apt to involve overcrowding.

In the second place, as it is not possible to ascertain accurately the actual amount of work done in the case of season tickets, the statistics must in the case of passenger traffic be based to a far larger extent upon estimates and assumed mileages than in the case of goods traffic. They must consequently afford a less accurate record of work performed than do ton mile figures in the case of goods traffic.

Any attempt moreover to obtain accurate passenger mile statistics in this country would involve greater labour and more expense than is required for the compilation of ton mile figures.”

The majority of the Committee would therefore almost seem, in these paragraphs, to have destroyed the case for passenger mile statistics.

Many expert witnesses were examined by the Committee in reference to these matters, and although it was alleged that in discussing questions of internal administration or “what is useful in Railway working,” the Committee overstepped the terms of their Reference, yet the enquiry and methods adopted undoubtedly served to ventilate the subject of ton and passenger mile statistics in a more thorough and exhaustive way than had before been possible by an independent authority.

Important service was thus rendered, not only to the Public, but also to Railway Companies, in that the enquiry brought this controversial question nearer to a settlement; for it can hardly be denied by any one who takes the trouble to study the evidence and report, that the utility of ton mile and passenger mile statistics was shewn to have been over-estimated and that they have little or no value either in relation to the numerous day-to-day questions which arise in connection with the details of Railway working, or to questions of general administration.

While three members of the Committee recommended that their adoption should be made compulsory, three other members, including the Chairman, did not see their way to go further than to recommend them to the consideration of those responsible for Railway working with a view to seeing whether they could be more widely introduced. At the same time they pointed out that there was not sufficient ground for insisting on their being compiled by all Companies until they came to be adopted by a considerable number of the important Companies.

The three remaining Members of the Committee, in a "reservation" report charged with weighty and convincing reasons, shewed from the point of view of all the principal Railway Companies in the United Kingdom except one, that such statistics would be of no value. They also pointed out

- (1) That practically no instance had been brought to the notice of the Committee "of any definite increase of earnings or decrease of expenditure in any specific case, which was the result of the use of the ton mile figures, and which could not, and ought not to, have been brought about by other means," and that "every witness who supported the Ton Mile Statistic was challenged to produce such concrete cases, and not one could do so";
- (2) That this form of statistic had "been tried and found wanting by two of the principal Railway Companies in

Great Britain, *viz.*, the Great Western, and the London and North-Western”;

- (3) That “the evidence of Mr. Grierson (perhaps one of the most enlightened railway men of his day), given before the Select Committee of the House of Commons on Railway Rates in 1881, was as follows:—‘We used to keep it, and we gave it up. It cost us a great deal of money. We kept probably as elaborate statistics as were ever kept by a Railway Company, but we could not make any use of this. The average sum for carrying traffic for one mile, that again is perfectly useless. The figures are very interesting I have no doubt, but they are perfectly useless. I assure you there is no indisposition on the part of any Railway Company to keep any statistics; they would only be too glad being the parties themselves most interested’”;
- (4) That, “not only have the Indian Government and the Indian Railway Board failed for many years past to make any enquiries based on this Statistic, although it is compiled and published, but, according to the evidence of Mr. A. Brereton (the Government Director of the Guaranteed Indian Railway Companies), fully fifty per cent of the Managers of Indian Railways make no use of it at all”;
- (5) That, “the recent Special Commissioner on South African Railways distinctly deprecates the use of this Statistic, and states in his Report, ‘I desire, therefore, to say that I am not in favour of the general adoption of Ton Mile or Passenger Mile Statistics’”;
- (6) That, “those English Railway Managers who have formerly controlled railways abroad or in the Colonies, where this statistic has been compiled, have come to the conclusion that it is useless in this country;”

-
- (7) That, in reference to the claim that it would be useful as a factor in rate making, Mr. Neville Priestley (Under Secretary to the Government of India, Secretary to the Railway Board, Agent of the South Indian Railway, and one of the strongest supporters of the Ton Mile) said "Ton Miles are useless as a rate making factor";
- (8) That, in regard to the claim that it would be useful in checking the cost per ton per mile of working, "without dilating on the absurdity of a common average covering the cost of working a ton of furniture and a ton of coal, not one witness has attempted to define any method by which a satisfactory division of expenses between the various classes of traffic could be made";
- (9) That "all that is left of the value claimed for the Statistic is a check on the loading of trucks and trains. Here the absurdity of mixing up in one total tons of coal or bricks, of which ten tons or more will go into a truck, with furniture, wicker baskets, and other light goods, of which often not one ton will go into a truck, is at once apparent";
- (10) That, "on the other hand, the Railway Companies have conclusively proved that they have in use a direct, definite and immediate check, in place of the indirect, indefinite, and tardy check afforded by the Ton Mile. The best proof of this is the steady and constant increase in the earnings per train mile."

The views of the majority of the Committee were evidently shared by those responsible for the Bill to amend the Law relating to Railway Accounts, as is shewn by the fact that no reference is made to Ton Mile or Passenger Mile Statistics, either in the text or schedules of the Bill.

On the other hand, the Committee and authors of the Bill recognised the importance of compiling and publishing the

number of train miles run by each Company, and of separating the various items of receipt and expenditure in the published accounts, on a well considered and uniform plan, so as to make comparisons of earnings and expenditure per train mile as reliable as possible.

Accordingly provision is made in the amended forms of account as set forth in the Appendix, for the separation of receipts and expenses in connection with Railway working proper, from those connected with the subsidiary services, such as omnibuses, steamboats, canals, docks, hotels and refreshment rooms, &c.

Provision is also made for the classification of revenue and disbursements in each department in greater minuteness than formerly, as is shewn by the amended forms of statement numbered 10 to 17, and in the relative abstracts "A" to "J," which will be found in the Appendix; also "for the compilation and publication of the number of train miles in such a way as will put them into proper relation both to earnings and expenditure."

Although these changes will not involve any alteration in the general method of account keeping as described in this work, they will of course necessitate alterations in matters of detail corresponding to the amended heads of receipts and expense. The nature of these variations will be seen as the old and new forms of account are compared.

It is not necessary here to refer in detail to the statements numbered i. to ix. in the Appendix which call for additional information relating to capital and equipment; nor to those numbered from x. to xv., which include the amended form of statement of engine and train mileage, alluded to above, and various other particulars relating to revenue and expenditure. These statements explain themselves.

J. ALFRED FISHER.

July, 1911.

PREFACE TO SECOND EDITION.

MY thanks are due to the Press of this Country, India, and the Colonies, and to Directors and Officials connected with over eighty British and Foreign Railways, for their favourable reception of this work.

I also had the honour to receive communications from the Marquess of Salisbury, the Marquess of Hartington (now Duke of Devonshire), the Right Hon. W. E. Gladstone, and several other Members of Her Majesty's present and former Governments, which, as shewing their interest in Railway matters, were especially gratifying to me.

For the information of readers who take an interest in the Railway Benevolent Institution, I may perhaps here state, with reference to a note which appeared in the first edition, that the profits on the sale of this work have enabled me to send a donation of fifteen guineas for that Institution to Sir Henry Oakley, the Chairman of the Committee of Management, and from whom I have received a cordial acknowledgment. A second edition is now called for, and I hope its success may admit of a further contribution being sent for the Railway Servants' Orphanage which has lost one of its best friends—the late Sir James Allport.

In response to a suggestion made by the *Times*,* I quote below several clauses of the "Regulation of Railways Act, 1889," with reference to my statements concerning passenger tickets, which, however, I have not thought it desirable to alter,

seeing that they are in conformity with Railway bye-laws sanctioned by the Board of Trade. It is obvious that if the existing regulation enjoining passengers to obtain tickets before commencing their journey were relaxed, delay to trains, disorganisation of traffic, and inconvenience to the public, would become intolerable.

“REGULATION OF RAILWAYS ACT, 1889.

“SECTION 5.—(1) Every passenger by a railway shall on request by an officer or servant of a railway company either produce, and if so requested, deliver up a ticket showing that his fare is paid, or pay his fare from the place whence he started, or give the officer or servant his name and address ; and in case of default shall be liable on summary conviction to a fine not exceeding forty shillings.

“(2) If a passenger having failed either to produce, or if requested, to deliver up, a ticket showing that his fare is paid, or to pay his fare, refuses, on request by an officer or servant of a railway company, to give his name and address, any officer of the company or any constable may detain him until he can be conveniently brought before some justice or otherwise discharged by due course of law.

“(3) If any person

“(a) Travels or attempts to travel on a railway without having previously paid his fare, and with intent to avoid payment thereof ; or

“(b) Having paid his fare for a certain distance knowingly and wilfully proceed by train beyond that distance without previously paying the additional fare for the additional distance, and with intent to avoid payment thereof ; or

“(c) Having failed to pay his fare, gives in reply to a request by an officer of a railway company a false name or address

he shall be liable on summary conviction to a fine not exceeding forty shillings, or, in the case of a second or subsequent offence, either to a fine not exceeding twenty pounds, or in the discretion of the court, to imprisonment for a term not exceeding one month.

“(4) The liability of an offender to punishment under this section shall not prejudice the recovery of any fare payable by him.”

It has also been suggested that a chapter on the professional audit of Railway accounts would make the work more complete, and in accordance with this idea, permission has been obtained to insert at the end of this volume, a series of articles on Railway auditing which (with the exception of personal references) were written by the author and appeared in *The Accountant* (the official organ of the Institute of Chartered Accountants

of England and Wales), soon after the publication of the first edition.

Some of my critics have pointed out that I have not discussed the subject of forged transfers, nor described the methods adopted for their detection. I refer them to the chapter on the Secretary's Department wherein some of the safeguards are mentioned.

Nearly all the Companies have now adopted the Forged Transfers Acts 1891 and 1892, and, as the *Railway News* pointed out a few weeks ago, it is not unlikely that some alteration may be made in the form of notice sent by the Secretary to transferrers when deeds are received for registration. The practice of some Companies is for the Secretary, when acknowledging receipt of a transfer deed, to request the transferrer to communicate with him at once *if the transfer is not in order* (see page 191). It is suggested that a better plan would be (1) to request the transferrer in all cases to notify the correctness of the transaction *by signing and returning to the Secretary, a form sent to him for the purpose*; (2) that these notices should be sent in envelopes which do not bear the Company's name; and I would supplement these precautions by deferring registration until a satisfactory reply is received. This would enable the Secretary to compare the signatures to the notices with those on the deeds *in every instance*, and in the still possible event of forgery of both documents—transfer deed as well as form of notice—some difference in the style of writing or other circumstance might suggest further enquiry, and lead to the detection of fraud.

It has been pointed out by the Chairmen of the Midland and other Companies, that fraudulent transfers are fortunately rarely met with, and this is borne out by the trifling provision Companies have considered adequate to cover their risk of loss.

There can be no doubt that the chances of loss would be still

further reduced, if in large establishments where principals are compelled to leave correspondence and the custody of documents to their managers or clerks, such documents were kept under double lock and key, so that at least two persons would necessarily be concerned, their signatures being recorded in a book kept for the purpose, when transactions involving the removal or transfer of stock, shares, or bonds took place.

It is usually necessary for public bodies and companies to seal transfers and other instruments of value with their corporate seal, and in these cases, which are very numerous, additional security is provided by one key of the seal being kept by a Director, and the other by the Secretary.

I am pleased to be able to add—and I do so with greater freedom because I only claim to be an exponent and not the inventor of the system—that the principles and methods of Railway account keeping and check described in this work, have not been challenged from any quarter. They have, on the contrary, been referred to in complimentary terms by many experienced Railway officers, and have been largely adopted by railway companies at home and abroad.

J. ALFRED FISHER.

DOCK HOUSE,

BILLITER STREET, LONDON, E.C.

April, 1893.

* In reviewing the work *The Times* remarked, “Mr. J. Alfred Fisher’s ‘Railway Accounts and Finance’ should prove serviceable to all who are practically concerned in the management and economy of railways. Mr. Fisher’s long experience in connection with the Midland Railway entitles him to speak with authority. But we take some exception to the sentence with which his book opens: ‘It is well known that passengers by railway in this country must, before commencing their journey, procure tickets at the booking-office of the company by whose line they desire to travel.’ Railway officials are sometimes inclined to magnify their office, and it might not, therefore, have been amiss if Mr. Fisher, instead of committing himself to the vague but disputable statement quoted above, had cited in so many words the existing law on the subject. The same remark applies to the statement on page 20, that ‘passengers arriving at any station without tickets are liable to be charged from the place at which the train started.’”

PREFACE TO FIRST EDITION.

ON the Railways of the United Kingdom it is computed that over forty-five thousand clerks are employed. Every one of these has a duty to perform, and his chances of distinction to a great extent depend on the manner in which it is discharged.

To the majority of this enormous staff a knowledge of some branch of Railway accounting is essential. In all it is desirable.

Some confine their enquiries "how to do it" to the sphere in which they happen to be placed, and although undertaking their daily task with praiseworthy care, do not prove such efficient and valuable officers as others whose enquiring turn of mind and aspirations lead them to obtain information as to methods pursued outside their own particular department.

Intelligent service is always more likely to lead to distinction than merely mechanical service. It is frequently the "extra" assistance, thoughtfully offered, and expeditiously rendered in cases of emergency, that wins the approval of those in authority.

It often happens, however, that youths just entering the service and seeking some elementary knowledge, or advanced clerks who are desirous of adding to their stock of information, find it difficult to do so.

In the following pages I have endeavoured to describe, perhaps more fully than has hitherto been attempted, a system of Railway accounting which may be taken as representing the practice of the principal Companies, and which has been gradually improved and developed during a period of over fifty years,

under the guidance of experienced and distinguished Railway administrators.

If my attempt should prove useful to the important class to which I have referred, one of my objects in undertaking the responsibility of publication will have been gained.

I have hope, also, that it may be of service to chief officers of Railways at home and abroad, who may not have the time or opportunity of availing themselves of other sources of information.

To Professional Accountants and Auditors, whose public responsibilities are ever increasing, as well as to Financiers and others, a statement of the methods whereby the vast revenue of our Railways, amounting in the year 1889 to over seventy-seven millions sterling, is controlled and audited, will not be without interest.

Moreover the section describing the system of registration of Railway securities—representing nearly nine hundred millions sterling—and the safeguards adopted by some Companies for the protection of mutual interests, may deserve the attention of Debenture, Stock and Share-holders.

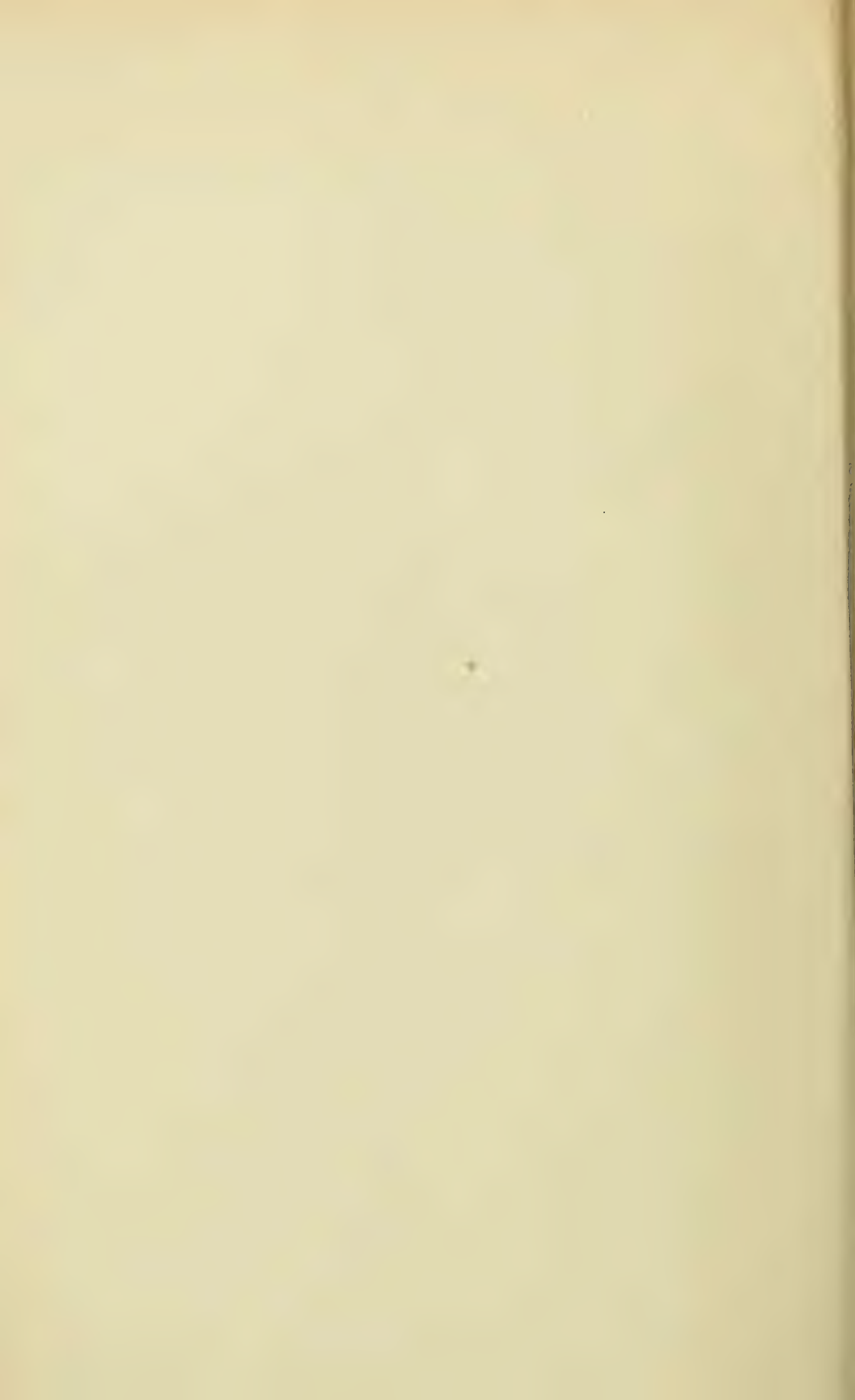
Uniformity in Railway accounting in every respect is greatly to be desired. Much has already been done in this direction, and the periodical reports of our English, Indian, Colonial, and Foreign Railways under English control, are models of completeness.

There is, however, room for improvement. If the able administrators of American Railroads could see their way to adopt a more uniform method of compiling their published accounts, setting forth the particulars of capital authorised, raised and expended, revenue earnings and disbursements, assets and liabilities, on defined principles and in a manner intelligible to any ordinary man of business, it would tend greatly to improve the value of sound Railway securities.

My best thanks are due to officials of great experience who have examined the proof sheets and given other valuable assistance in connection with this work. I have only now to ask for the kind indulgence of those for whom it is intended, and particularly of Railway Accountants, who are the authors of the system I have endeavoured to describe.

J. ALFRED FISHER.

DOCK HOUSE,
BILLITER STREET, LONDON, E.C.
April, 1891.



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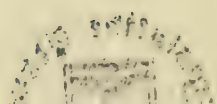
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* NOTE.—Such of the forms as could be conveniently illustrated in the body of the book are placed there. The remainder will be found in the Appendix.



INTRODUCTION.

THE Railway Exchequer has two distinct branches of Income, *viz.*:—(1) Capital, (2) Revenue; and three distinct branches of Expenditure, or Outgoings, *viz.*:—(1) Capital, (2) Revenue, (3) Distribution of Profits.

As all Railway Accounts are divided into “Capital” and “Revenue,” it may be here explained what those terms signify when applied to Railways.

The words underlined are emphasised because Capital, in its general, or National sense, is not synonymous with money.

In the National sense Capital is described by Political Economists as the Agent of Production, and identical with a Nation's Manufactories, Buildings, Machinery, Tools, Shipping, Railways, and other means adapted to, and destined for the production and distribution of wealth.

Money, on the other hand, is said to be “a measure of value and a medium of exchange.”

In Commercial transactions, the expression “Capital” is more restricted in its significance, and is generally applied to the money with which a person, or number of persons, intend to commence and carry on business.

In Railway phrase, the expression “Receipts on Capital Account” is used in relation to money received on the Shares, Debentures, and Debenture Stock of the Company.

All Companies formed for the purpose of making and



working a Railway for Public Traffic must be incorporated, the Works sanctioned and the amount of Capital confirmed by Act of Parliament.

Of the total Capital sanctioned by the Act, three-fourths is usually authorised to be raised by the creation and issue of Shares, and one-fourth by borrowing on Mortgage, or by the creation and issue of Debenture Stock.

The money so raised, or "Receipts on Capital Account," is applicable only to "Expenditure on Capital Account"; that is, to the construction of the Railways and Works authorised by the Act, including the payment of preliminary expenses incurred in surveying, making plans, &c., in forming the Company and obtaining the Act; also all expenditure for the completion, adaptation, and equipment with working stock of the Railway, Works, and Buildings for the accommodation of the estimated traffic requirements.

Subsequent expenditure may be "Capital" which is incurred in respect of extensions, enlargements, alterations and substantial permanent improvements of Works or Buildings which add to the original value or durability of the property.

RAILWAY REVENUE is derived (1) from Coaching traffic, which includes Passengers, Mails, Parcels, Horses, Carriages, &c., conveyed by Passenger trains; (2) from Goods traffic, which includes General Merchandise and Cattle, conveyed by Goods trains; (3) from Mineral traffic, which includes Coal, Coke and Lime conveyed by Mineral trains; and (4) from Miscellaneous sources, such as Mileage and Demurrage on Working Stock, Cloak Room and Warehousing Charges, Sack Hire, Rents from other Railway Companies for the use of Lines and Stations, Rents from Tenants of Houses, from Canals, Steamboats, Docks, Harbours, Omnibuses, Hotels, Refreshment Rooms, &c.

THE CHARGES ON REVENUE, or "Revenue Expenditure,"

include expenses of management and operation; repairs and maintenance of the Railway, Works, Buildings, and Working Stock; or, when worn out, their renewal or replacement, so as to keep the property of the Company up to its Capital value.

Revenue expenditure also includes the following:—

Rents paid for the use of lines and stations of other Companies.

Parliamentary Expenses, consisting of costs of opposition to Bills promoted by other Companies or individuals, whose objects may appear detrimental to the interests of the opposing Company; and costs of unsuccessful applications for Parliamentary powers to construct new lines, or for other purposes.

Miscellaneous Law Charges in connection with the working of the Railway.

Mileage and Demurrage on Foreign * Companies' Working Stock.

Rates and Taxes.

The PROFIT ON WORKING is the balance remaining after all the charges just enumerated have been deducted from Gross Revenue.

Here, then, we have (1) Gross Revenue; (2) Working Expenses to deduct therefrom, leaving the difference—"Net Revenue."

This "Net Revenue," or Profit on Working, is applicable to the payment of interest on Loans and Debenture Stock Guaranteed Dividends, Rents of Leased Lines, Preferential Dividends, and Dividends to the Ordinary (or "Original") Shareholders in proportion to the Shares or Stock standing in their respective names in the Capital Stock Ledgers of the Company.

* By "Foreign" is meant "other" Companies. For example, the Great Western would regard the North Eastern or any other Railway Company in the United Kingdom as "Foreign" in all their Traffic arrangements and Railway Clearing House Settlements.

To keep a true account of these transactions, a large establishment, and a comprehensive, efficient, yet simple system of book-keeping is required—a system having numerous branches, and each branch adapted to its own special purpose; all converging, and brought with well-timed regularity, into a complete and intelligible record of the Company's financial condition.

It is now proposed to describe and, where necessary, illustrate a system of accounts based on the practice of the principal Railway Companies, but applicable to all, in the order given below.

A Railway of the most important dimensions is contemplated, the administration of which is divided into Departments with responsible heads, each department being sub-divided so as to obtain the fullest possible benefit from division of labour.

It is further assumed that in the department of accounts, the Chief Accountant is also, as a rule, Secretary to the Finance Committee of the Board of Directors; that he is responsible to the Board for the examination, checking, and detection of irregularities in the accounts of income and expenditure of all departments of the Railway whether in connection with Capital or Revenue, and for the appropriation as between Capital and Revenue.

It is also premised that the actual collection of cash rests with the General Manager's, Traffic, and Secretary's departments, the Accountant comparing the amounts collected with the various debits, or sums to collect, and seeing that "Outstandings" are correctly recorded, and that, to enable him to discharge these and other important functions belonging to his office, which will be explained in their proper place, he is invested with very wide powers by his Board.

I. Station Accounts of Traffic.

(a) COACHING DEPARTMENT.

(b) GOODS DEPARTMENT.

(c) MINERAL DEPARTMENT.

These sections (*a*, *b*, *c*,) will include all returns furnished to the Accountant of the Company in connection with the *earnings* of each department, and will deal with the collection and remittance of traffic cash.

II. Stores Department.

III. Way and Works Department.

IV. Locomotive, and Carriage and Wagon Department.

V. Traffic Department.

These sections (II. to V.) will deal, almost exclusively, with *expenditure*, showing how it is controlled. The "Stores" will embrace the accounts in connection with the purchase and issue of Stationery, Provender, General Stores, Raw and Manufactured Materials, and Coal and Coke, to the Consuming Departments; also with miscellaneous sales of old materials and stores; stock-taking, &c.

VI. Secretary's Department.

Under this head will be noticed various matters in connection with the creation, issue, registration, and transfer of Debentures and Capital Stocks and Shares; Interest and Dividends, and the nature of the Accountant's checks thereon. Also the Rent, Cash, and other accounts.

The drawing of cheques and payment of Wages, Salaries, Tradesmen's and other Accounts, properly belonging to the Secretary's Department, will be more conveniently explained with the accounts of the Book-keeper's office (Section VII.).

VII. Accountant's Department.

The work of this department is divided as follows:—

- (a) Coaching, Goods, and Mineral Audit Offices.
- (b) Station Ledger Office, and
- (c) Book-keeper's Office.

The first two deal with the checking, classifying, and summarising of Station traffic and cash accounts and returns, Railway Clearing House and other traffic settlements.

In reviewing the work of the Book-keeper's Office, it will be shown how the accounts of all the departments and offices are drawn together into one set of books, from which the gross traffic receipts, expenses, profits, liabilities, and assets of the Company are ascertained, and from which the accounts, as published half-yearly, are compiled.

Each section commences with a brief outline of the duties of the department to which it relates.

TRAFFIC DEPARTMENT.

It does not come within the scope of this work to describe the functions of the various Departments other than that of Accounts, and no attempt will be made to give more than a brief outline of them by way of introduction to each section.

Whatever opinions may be held on complex questions of Railway policy, no one who is familiar with Railway work will deny that the administrative abilities of the General Manager of a great Railway must be of a high order; or that his responsibilities and duties are of an onerous nature.

If evidence of this, other than that afforded by his daily official life, were desired, it might be found in the records of Parliament; for few things tax the resources of a Railway Manager more than a Parliamentary fight for or against some proposed extension, amalgamation, or important working agreement.

As the Railways of this country now reach every place of consequence, we seldom have an opportunity of witnessing a good old-fashioned contest in the Committee Rooms at Westminster, when strong opposing forces are assembled, and Railway Managers are called on to give evidence in support of, or in opposition to Bills affecting the interests they represent; to undergo examinations, cross-examinations and re-examinations at the hands of astute Counsel, prompted by the ablest professional men of the time, day after day, and even week after week, but, withal, successfully to defend the main points of their

argument. This is an ordeal which few but those who have experienced it can fully understand.

Successful Railway management is not simply a question of working the line with safety to the public, and profit to the shareholders; it is also one of great social, commercial, and political importance.

As an instance of this, we need only refer to the conveyance of third class passengers by all trains—a policy, the conception and execution of which were characterised by boldness and sagacity unparalleled in the history of Railways, and which has revolutionised society, and benefited commerce to an extent impossible to calculate.

It is of course necessary for the Manager to be familiar with details of the working of the line under his control, and frequently of lines under the control of others.

Traffic receiving, forwarding, exchange arrangements, and negotiation of agreements; the relief of congested districts, or development of traffic in poor localities; the adaptation of rates and charges to the necessities of various trades; the provision of suitable accommodation; block, inter-locking, and other signalling arrangements; the framing of rules for the guidance of the Staff in every conceivable emergency in working the traffic; the most suitable kind of brake, wheel, axle, coupling, or even carriage-door fastening;—these, and a thousand other details, require the constant and careful consideration of the General Manager and Heads of Departments, by whom he is assisted and advised.

Many useful and desirable reforms in Railway working have been carried out in recent years; and it is admitted that their adoption has been accelerated by Parliamentary action and free expression of public opinion. But sufficient importance is not always attached by those who, however laudable their object may be, are most urgent in their demands for supposed improvements

in Railway working, to the fact that changes suggested may raise problems of the most serious nature, a satisfactory solution of which frequently requires much time, care, and large experimental expenditure.

The Continuous Brake question was an illustration of this ; and it is worthy of more consideration as to whether public interests are best served by insisting on large outlays being undertaken, frequently running into hundreds of thousands of pounds, before it is really known if such outlays will effectually meet the requirements.

For, after all, while *safety* in conducting the traffic of our Railways is very properly a first care of Managers, as evidenced by the remarkable immunity from accident enjoyed by Railway travellers in this country, another object of almost vital importance to thousands of shareholders is that a dividend may be earned on the capital invested.

The economic laws which regulate supply and demand, as largely operate in relation to Railways as they do in relation to other commercial undertakings.

Therefore, when changes are urged, new lines or additional accommodation sought, while the first points the Manager will probably consider are, (*a*) whether such changes, if adopted, will in themselves prove safe and effectual, and (*b*) whether they will facilitate or retard the working of the traffic, it should not be surprising if he also enquire whether outlays proposed will prove beneficial to shareholders.

These are questions that will not admit of superficial investigation, but which on the other hand may take months and even years to decide and gradually carry out.

Moreover, when the so-called large dividends paid by Railway Companies are alluded to, the fact should not be lost sight of that the increase in market prices of Railway Stocks, as the Board of Trade returns prove, has been due, not so much to aug-



mented dividends as to the existence of an increasingly large amount of capital seeking investment.*

Neither should it be overlooked that a large proportion of existing shareholders bought their Stock at high prices, on the basis of a 3 to 4 per cent. return to the buyer.*

When, therefore, alterations seriously threatening the dividend-earning power of Railways are suggested—whether involving further outlays or reductions in rates,—the position of shareholders whose income is largely dependent on investments made with full confidence in their stability, is a matter which should not be lightly interfered with by the Legislature.*

From a purely *financial* point of view there are few, if any, better indices of the ability of a railway manager than (1) the average earnings per train mile run, and per mile of line open for traffic, compared with the earnings of other lines similarly situated; (2) the relative proportions of expenses and earnings; and (3) net results.

From this standpoint, his objects are to increase income, and, consistently with the provision of facilities for the traffic, to reduce outgoings. This is not an easy task. It demands research, tact, and skill; discernment of present and prospective wants of the public; and fertility of resource in satisfying them with profit to the Company.

The "Traffic Department," then, is the revenue-earning department of the Railway. We shall now point out how the earnings are recorded, and what returns thereof are rendered to the Accountant, dealing with expenditure in another section.

* Since these paragraphs were written, working expenses have increased to a serious extent, and net earnings and dividends have correspondingly declined, with the result that Railway investments have depreciated enormously in value.

STATION ACCOUNTS OF TRAFFIC

(COACHING DEPARTMENT).

TICKETS AND BOOKING OF PASSENGERS.

1. Passenger Tickets.—It is well known that passengers by railway in this country must, before commencing their journey, procure tickets at the booking office of the Company by whose line they desire to travel.

Tickets so obtained are held by passengers as an acknowledgment that they have paid their fares (the amount of which all Companies are required to print or mark upon the tickets), and that, subject to the Bye-laws, they are entitled to be conveyed by the train, and in the class of carriage for which they are booked.

2. Ordinary Tickets.—These are issued to passengers by ordinary trains and at ordinary fares.

Half-tickets for a single journey, and tickets with a triangular piece cut out for a double journey (or in some cases specially printed tickets), are issued for children under twelve years of age.

Ordinary tickets are used for local, and, where fares have been arranged by the Companies concerned, for through or foreign traffic, except where the bookings are few in number, when tickets of a special series are used as follows :—

3. Blank Card Tickets.—These are used for ordinary

local traffic only, and are printed like the ordinary, with the exception that the name of the destination station and route are *written* on the ticket by the Booking Clerk. They are used for traffic of a light character, that is, for such as does not amount to more than a few passengers per class per month between a pair of stations.

In some cases blank *paper* tickets are used. These are supplied to the stations in books, with counterfoils attached; each issuing station having a separate series for each class.

The chief advantage of these is that passenger fares may be arranged between numerous stations—local and foreign—and additional facilities thus given for through booking, with only one complete set of blank tickets for each issuing station.

4. Periodical or Season Tickets are printed specially, by order of the General Manager. They are issued for various periods, and are available for any number of journeys during the time, and between the stations specified upon them. Cheap tickets are issued to scholars, apprentices, and students under a certain age. The tickets have the names of the persons entitled to use them printed or written upon them, and are not transferable. As a check upon this, some Companies require the holder to sign his name upon the ticket before using it; and, on Continental Railways, the photograph of the passenger is sometimes required, and is secured to the ticket for purposes of identification.

5. Tourist Tickets are issued at reduced return fares during the Tourist Season.

6. Tourists' Extension-of-time Tickets.—Should the holders of tourist tickets not return within the prescribed time, the return portions are presented at the stations to which they were originally issued, and, with some exceptions, extension-of-time tickets available for the return journey are issued in

exchange, on payment of a per-centage, or the difference between the tourist fare and the sum of two single journey fares. The tickets, with counterfoils attached, are kept in books, and type-numbered consecutively.

7. Member of Family Tickets are available for any number of journeys between the stations specified thereon, during the period for which they are issued, and are granted at special fares to any member of a family who are holders of not less than two tourist tickets. They can only be obtained on application to the General Manager, and may be extended beyond the stated time on making certain extra payments.

8. Excursion Tickets are issued at specially advertised and reduced fares, and, generally, are only available by excursion trains. They are printed specially for each excursion, and should the supply fall short of the demand, ordinary tickets are used. These latter are taken from the highest numbers in stock, the word "return," and the date of issue being stamped upon them.

9. Market and Fishing Tickets, available by ordinary trains, and similar to the "ordinary," are issued, under special arrangements, at reduced fares for the double journey.

10. Pleasure Parties' Tickets, available by ordinary trains, are issued to small parties by special authority in each case, on presentation of an order at the booking office by a member of the party. These orders are obtained from the Traffic Superintendent.

The tickets are kept in stock in those cases where there is a large issue; in other cases, blank card tickets are issued, and particulars of the tickets issued are shown by the Booking Clerk on the Superintendent's order.

11. Officers', Soldiers', &c., Tickets, kept in books, with counterfoils, are issued at reduced fares under special arrangements with the Government, to Officers, Soldiers,

Police, &c., on production of orders signed by the proper authorities.

The sum of the fares, as shewn on the tickets issued, is taken to account as explained hereafter, and the "orders" are accepted as cash.

Wives and children of Officers and Soldiers are charged as ordinary passengers, unless included in a Warrant.

12. Coupon Orders in books with counterfoils are used for through bookings to the Continent. Ordinary tickets are issued to London with the coupon orders, and the latter are there exchanged by the Company to whom they are addressed for through coupons for the remainder of the journey, without further payment.

13. All Tickets are type-numbered consecutively; ordinary, tourist, and blank card tickets at both ends, from 000 to 9999 inclusive. Ten thousand of each kind, class, and station make a "series." When these are exhausted a new series is commenced.

Supplies to the stations of card excursion tickets, and each book of paper tickets, commence afresh with 000.

Lock-up cases, containing rows of tubes, are provided for each booking office, and card tickets are arranged in these in the way which may appear to give the best facilities for the booking of passengers.

Generally, those most frequently used are placed nearest the booking window, and the remainder in the order of the stations as they branch outwards,—north, south, east, or west.

At important stations they are divided into (1) classes, and (2) districts. Tourist tickets are kept in separate cases.

The name of the destination station and the fare are written *above* each ticket-tube, and the number of the next to issue is written on a slate fixed *below* the tube.

The tickets are placed in the tubes with the highest numbers at the top, and, in booking passengers, are drawn from the bottom; so that, after the departure of a train, by deducting the number shewn on the slate from the number on the next to issue, it is ascertained how many have been issued by that train. For example, before booking is commenced, the number on the slate may be 4,537, and after the train has gone the number of the next in stock, 4,562, shewing that 25 have been issued; or the number on the slate may be 000, and on the ticket next to issue 25, giving the same result. The date is stamped or punched on all tickets as they are issued.

14. Supply of Tickets.—The Accountant of the Company is the only officer through whom passenger tickets may be obtained by the stations, excepting Season and Member-of-family tickets, which are supplied by the General Manager. When a fresh stock is required, the Booking Clerk enters the following particulars in a "*Ticket Demand Book*:"—name of station to which required, *i.e.*, the *destination* station, route, colour, class, description (ordinary, return, tourist, &c), fare, number of ticket last issued, and the last progressive number of tickets in stock.

These particulars, also the number of the Demand Note, name of issuing station, and date, are copied on its perforated counterpart, which is signed by the Clerk-in-charge and forwarded to the Accountant's office, to be checked and compared with the Ticket Stock Registers, which are there made up from previous demands and supplies in the following way:

An account is opened in the register for each *issuing* station. The name of each *destination* station, route, class, description, date of demand, last progressive number of tickets

supplied, and quantity supplied, being inserted in columns for that purpose, as follows :—

15. TICKET STOCK REGISTER.

Grantham Station.

(a) 15.1.90.	Route.	(b)	1	2	1	2	3
		(c)	Ret.	Ret.	Ord.	Ord.	Ord.
King's Cross.		(d)	499	999	999	1999	4999
Peterborough							
(and so on).							

N.B.—(a) Date of first supply ; (b) class ; (c) description ; (d) last progressive number of tickets supplied.

If the last progressive number of tickets previously supplied, as recorded in the Stock Register, agrees with the requisition, the Audit Clerk inserts in the latter the quantity to be printed, and enters the particulars in the Register, which, assuming a demand to have been made by the Agent at Grantham for 3rd class ordinary to King's Cross, would then read as follows :—

TICKET STOCK REGISTER.

Grantham Station.

15.1.90.	Route.	1	2	1	2	3	3
		Ret.	Ret.	Ord.	Ord.	Ord.	Ord.
King's Cross.	(e)	499	999	999	1999	19,590	9999
	(f)					5,000	

N.B. (e)—Date of demand ; (f) quantity ordered to be printed.

The quantity ordered is determined by the time taken to exhaust the previous supply, but more than 10,000 tickets, or a "series," of one class between a pair of stations, are never supplied at one time.

Before a new station is opened for passenger traffic, the Superintendent furnishes the Accountant with a list of the proposed bookings, and the fares.

In this case a requisition, giving a full description and the quantity to be printed, is prepared by the Audit Clerk, who opens an account and enters them as a "first supply" in the Stock Register, as above.

A memorandum of any special direction to be observed in ordering tickets to be printed is made in the Registers.

The requisitions are then numbered, recorded in a separate book in consecutive order, and sent to the Company's ticket-printing establishment, which is under the supervision of the Accountant, who keeps a constant check on the supplies.

The quantities supplied are noted by the foreman printer on the requisitions, and copied into a *Delivery Book*, the tickets being sent direct to the stations, and the requisitions to the Accountant, by whom they are examined, entered, and sent to the stations to be compared with the tickets received. If correct, the Clerk-in-charge is required to sign and return the requisition to the Accountant, by whom he is held responsible for compliance with the fourth and fifth paragraphs of the following "instructions" printed in every demand book.

INSTRUCTIONS.

- I.—Demands for tickets must be sent to the Accountant on Fridays, and not on any other days.
- II.—At least a fortnight's stock of each kind and class of tickets must be kept on hand; and special care must be taken to anticipate any increased demands, from the holding of fairs, or other circumstances of public interest; and the circumstances requiring such increased demand must be explained on the back of the demand note.
- III.—Care must be taken to give the exact route at present printed on the tickets when demanding a further supply.
- IV.—All tickets, as supplied and received, must be examined and checked, both as respects the correctness of the progressive numbers, and the quantity of tickets; and the Accountant must be immediately advised of any errors in them, either of wrong numbers, duplicates, or omitted numbers.
- V.—Within four days of the supply of tickets, if correct, the receipt for the same must be signed and returned to the Accountant, and afterwards

the Clerk-in-charge will be held accountable for the production of each progressive number in due order, or for their value as issued tickets, if at any time found to be missing.

VI.—The boxes in which tickets are sent must be returned to the Ticket Printer within three days of their receipt.

16. Ticket Stock Return.—This is made up when a change of staff takes place at a station, or whenever required by the Accountant to check the stock of tickets thereat. The blank forms are kept in the Audit Office, and sent out with the following instructions :—

ACCOUNTANT'S OFFICE,

_____19

Herewith you will receive a blank form of return to be filled up and sent to this office, *prompt*, on or before the, duly signed *by you* in the following form :—"I hereby acknowledge that the above tickets are in my possession."

In entering your Stock, the numbers must commence at the end of the last month's issues, so as to make the number begin this month; and in taking Stock, you must bear in mind, that if any numbers are found missing, or your Stock is in anywise wrong, you must report the same when the return is sent in, as you will afterwards be held accountable for the production of each progressive number in due order, or for their value as issued tickets, if at any time found to be missing.

If you find any duplicate numbers, or any tickets for stations which are not now booked to, they must be sent back with the return, and those only retained which are now in use, and which you sign for.

The *quantity* must be *one more* in all cases than the remainder given by deducting the commencing from the closing No., for example :—

Closing No.	...	...	...	...	1499
Commencing No.	...	...	...	...	1100
Quantity	...	...	...	...	400

Strict attention must be paid to the instructions on the cover of the Ticket Demand Book, as you will be held responsible for any consequence arising from the neglect of them.

(Signed) _____ Accountant.

Mr. _____

_____ Station.

As the commencing numbers should agree with the station's previous month's "Classification," and the closing numbers

with those shewn by the Accountant's Stock Registers, it is an easy matter for the Audit department to check these returns.

17. Train Book (See next page).—This contains an account of tickets issued, and is made up immediately after the departure of each train, a separate entry being made for each station and class, as shewn in the example. The "commencing number" is copied from the slate, and the "closing number" from the next ticket to issue.

The cash taken by each train should agree with the total of the Train Book entries, but in case there is a difference it is noted in the margin. If the proper fares have been charged, and correct change given, differences are generally discovered, or right themselves afterwards. It sometimes happens that tickets get misplaced, in which case the amount of cash short or over by one train would be balanced by cash over or short by a following train.

For instance, in the example given, ticket 7656 might be found between 7632 and 7654. Here it may be assumed $22\frac{1}{2}$ tickets were sold, but only $21\frac{1}{2}$ accounted for, apparently leaving one shilling over in cash. After booking the following train, doubtless a corresponding deficiency would be shown.

Or, a difference might arise through a miscalculation in the Train Book, or through a wrong "commencing" or "closing" number being copied therein, or by omitting to enter a ticket, or by entering an incorrect fare. Such errors ought to be discovered at the time. If this is not done, they are likely to be the cause of subsequent trouble in balancing the monthly returns.

After the Train Book has been made up, the numbers on the slates are altered for the next account.

At large stations a "Daily Classification Book" is kept. In this the names of all stations to which tickets are issued, and the fares, are inserted, and the closing numbers of one day

TRAIN BOOK.

Station.

3rd June, 19

STATIONS.	Commenc- ing Number.	Closing Number.	Children	No. of Passengers	Class.	Rate.	Amount.		TOTAL by each Train.		Cash		Signature of Chief Clerk.
							£	s. d.	£	s. d.	£	s. d.	
3.40 P.M. TRAIN.													
A..... Ord.	7632	7654	1	21½	3	1/-	1	1 6					
A..... Ret.	2706	2710	3	2½	2	3/-		7 6					
B	Blank	cards	1	1½	1	7/6		11 3					
C	Do.	do.		2	3	3/10		7 8					
D	Paper	ticket		1	1	49/6	2	9 6					
E	Soldier's	"		4	3	3/6		14 0					
									5	11	5	11 5	H. F.
									100	0	0	100 0	H. F.
&c., &c.									18	4	0	18 4	H. F.
F (Excursion).....	000	364		364	3	1/-	18	4 0					
									123	15	5	123 15 5	
Extension-of-time tickets										6		17 6	
Excess fares										0		4 0	
Season tickets— John Smith.....							12	10 0					
Wm. Brown							8	5 0					
									20	15	0	20 15 0	
									145	11	11	145 11 11	

become the commencing numbers for the next. The daily bookings are worked out, and the total balanced with the day's total of the Train Book. Columns for thirty-one days are provided, and at the end of the month the entries for each station are added across and balanced with the Monthly Classification entries described further on.

Half single-journey tickets not sold by one train, are available for following trains, but all triangular pieces cut from return tickets are retained (the number of the parent ticket being marked upon each), and credit is taken for the value, also for single-journey half-tickets not sold by the end of the month, and for cancelled tickets, in the monthly "Classification."

Particulars of Officers', Soldiers', &c., tickets issued, are also entered in the Train Book from the counterfoils, with each train's bookings. But Pleasure Parties' tickets, Excursion tickets issued for special trains, also special bookings by ordinary trains, such as school children or others conveyed at special fares, but not sufficiently numerous to warrant the running of a special train,—these are entered separately in the Train Book *in red ink*, to facilitate reference thereto in making up the monthly returns.

The Superintendent's orders for the issue of Pleasure Parties' tickets are sent, with the number of passengers booked, fares, and amounts properly inserted, by the first train after the one by which the party travelled, to the Accountant.

Two returns (Form No. 1, App.) of bookings by excursion trains are sent, one to the Superintendent, and one to the Accountant, by first ordinary train after the departure of each excursion. Unsold excursion tickets are sent to the Accountant with the return.

When ordinary tickets are issued from the back numbers to excursion passengers, the Accountant is advised, so that they may be replaced by new ones.

BLANK CARD TICKET ISSUE BOOK.

June, 19 .

Station.

Date of Issue	Stations to which Issued. <i>Each Ticket to be entered separately.</i>	Company.	Route.	Progressive Numbers of Tickets.				GROSS AMOUNTS.				Total of each day's Booking.	
				RETURN.		SINGLE.		1	2	Gov.	No.	Amount.	
				1	2	1	2						
19													
June	B	Local	(Card Ticket)	..	..	ooo	..	7	6	..	..	..	..
"	B .....	....	....	Child	..	oor	..	3	9	..	..	..	..
"	C .....	....	....	..	..	..	25	..	..	10	..	..	..
"	C .....	....	....	..	..	..	26	..	..	3	10 3½	18	11

The amount received for Extension-of-time tickets is added to the daily total of the Train Book, as shewn.

18. Blank Card Ticket Issue Book.—When application is made for tickets to places for which ordinary tickets have not been supplied, reference is made to the list of stations, furnished by the Superintendent, to which blank card or paper tickets may be issued. If fares have been arranged, the name of the station, route, fare, and date, are inserted on the ticket. Before it is issued, however, a note should be made in the Blank Card Issue Book of the number and description of ticket used, station, and route. The date and amounts may be inserted, and corresponding entries made in the Train Book afterwards.

Half-tickets are issued for children, and the numbers are similarly distinguished in the book.

19. Season Tickets.—On application being made for these, the following particulars are entered on a printed form, and sent to the General Manager:—

Class.

Date from and to.

Name of applicant.

Profession and address of applicant.

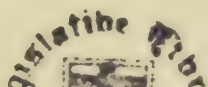
Stations between which required.

Price, and amount of deposit.

Whether old or new application; and, if old, the previous number is stated for reference in the General Manager's office.

The tickets are then prepared, and the above particulars, also the numbers, and stations to which they are sent, are entered in a Register kept in the General Manager's office. (Form No. 2, App.)

A numbered statement is sent to the stations with the



tickets shewing the amounts to be collected. These amounts are taken to debit in the stations' monthly returns, as hereafter shewn.

The General Manager's register is checked by the Accountant with the amounts taken to debit by the stations.

A deposit is usually charged on season tickets issued for Metropolitan lines, and sometimes in other cases as a guarantee for their surrender at the expiration of the prescribed period.

Credit is taken for repayments of deposits by recharge on a miscellaneous traffic way-bill (paid on and to pay) to the Accountant, the depositors' receipts being attached thereto.

For all purposes of account "member-of-family" tickets are dealt with as "season" tickets.

It is a good plan to enter the names and amounts received for season and member-of-family tickets in the Train Book at the close of each day, as shown in the example.

At important stations, however, a Season Ticket Cash Book is kept, and the daily totals of this book are carried direct to the stations' Coaching Revenue Book (34). In these cases it is not necessary to pass the items through the Train Book.

20. Examination and Collection of Tickets, and Excess Fares.—Tickets should be examined prior to the departure of trains from terminal and principal stations, and collected at the stations appointed.

At "Junction" stations through tickets are examined as to class, date, *and route*, and a number, or distinctive mark, impressed upon them with a punch. This number is fixed by the Railway Clearing House, a record of the same being kept there, and a list given in the Regulations, shewing the number and where used. As a different number is fixed for each junction or principal station, this plan acts not only as a check upon tickets being used twice, but also affords

evidence of the right of Companies to claim a proportion of the through fare when passengers have travelled by a route different from that for which the tickets were issued.

When such cases arise, an advice or "Wrong route ticket return," is furnished to the Accountant by the Station-Master, with the following particulars :—

Name of issuing Company.

Station from and Station to.

Class, kind, date, and number.

Route issued for, and route travelled by.

If the tickets are collected, they are sent to the Accountant with the return.

In the examination and collection of tickets the following points should be watched :—

- I. At starting stations: that they are not from stations on the line of route nearer the destination station than the starting station.
- II. That passengers are in the class of carriage for which they are booked, or that they pay the difference of fare.
- III. That tickets are available for the day on which they are used.
- IV. At intermediate stations: that passengers do not change to a higher class of carriage than that for which they are booked, without paying the difference of fare.
- V. That passengers holding half-tickets are really entitled to travel at half-fares.
- VI. At junctions and terminal stations: that the route printed on the tickets corresponds with the route by which passengers are travelling.
- VII. At alighting stations: that the tickets are available thereto.

Passengers arriving at any station without tickets are liable to be charged from the place at which the train started.

Money collected from passengers in respect of the foregoing is accounted for as "excess fares."

Collected tickets are sorted into (1) Local, and (2) Foreign; single and double-journey tickets being kept separate, and arranged according to classes and numbers. Local tickets are tied up in the order of the Accountant's list of stations, and the foreign alphabetically.

All collected tickets are sent to the Accountant daily.

21. The Accountant's printed List of Stations serves many useful purposes. It shews the name of every station on the main line and branches of the Company in geographical order, and the name of the Station-Master or Agent at each place. Every station is furnished with a copy, which is revised from time to time as required; and collected tickets, parcel way-bills, monthly accounts of passenger bookings, goods invoices, abstracts and summaries of traffic, are made up as a rule in the same geographical order. To the Accountant's department the list is invaluable, as it secures uniformity, facilitates reference, and furnishes a reliable means of ascertaining whether all stations have sent in their returns.

22. Excess Fares Book (Form No. 3, App.).—In this are entered particulars of excess fares collected. A daily total is made, and a copy thereof, or "Daily advice of excess fares," sent to the Accountant the day following. The tickets on which excess has been collected, and those issued for one station and collected at another, with the name of the collecting station written across them, are folded inside the return.

The cash collected daily is handed to the Booking Clerk, who adds it to the total of his Train Book, or enters it in the Coaching Revenue Book.

23. Postal Telegraphs.—All charges made by Railway Agents transacting telegraph message business on behalf of the Post Office, whether in connection with forwarded or received messages, are denoted by Postage Stamps affixed to the forms.

A stock of stamps is supplied, on credit, to the General Manager by the Receiver and Accountant General of the Post Office, and sent to the stations by the former, as required.

Money received at stations for stamps sold or affixed to messages for portorage, less items paid out to special messengers not Company's servants, is sent to bank daily with the Coaching Traffic cash, and shewn separately in the station's Coaching Revenue Book (34).

At the end of each month a return (Form No. 4, App.) is furnished to the Accountant, shewing the value of stamps used, and the amount, less portorage paid out, is taken to debit in the summary of the monthly passenger classification.

A monthly certified statement is also sent to the Accountant by stations, shewing the total value of stamps on hand at the end of the previous month, also the number of each denomination of stamps of which the balance is made up, for comparison with his books.

A separate return (Form No. 5, App.) giving details of portrages performed, and the charges for such services, whether paid by the senders or receivers of messages (such charges being in all cases represented by stamps affixed to the messages by the station that receives the cash), is also furnished to the Accountant to enable him to debit the Post Office therewith in his books. The messages are numbered consecutively, docketed, and sent to the Postmaster General.

The General Manager keeps an account of stamps received by him from the Post Office, and supplied to stations. This

is balanced each month, the value of stamps sent to stations being deducted from the value of stamps received, the balance representing actual stock in the Manager's possession.

The Manager furnishes the Accountant with a monthly list of the station *debits* for stamps supplied. The value of stamps used, as shewn by the station returns, constitutes the credit; the balance, representing stamps on hand at stations, being carried to the debit of the next month's account.

BOOKING OF PARCELS, &c.

24. Parcel Post.—When the Parcel Post came into operation it was agreed between the Postmaster General and the Railway Companies that the latter should receive fifty-five per cent. of the gross Postal receipts from Railway-borne parcels, and that this should be paid quarterly to the Railway Clearing House.

The amounts are apportioned by the Clearing House, to the Companies entitled to participate, quarterly (this being an interim approximate division), and at the end of each half-year, in the same proportions as each Company's gross receipts from parcel traffic are found to have borne to the gross receipts of all the Companies from this source of revenue during the same half-year.

In order to give effect to the latter part of this arrangement, it became necessary for each Company to separate, in its accounts, those receipts for the conveyance of the heavier descriptions of traffic (other than passengers) conveyed by passenger trains, from those arising from the carriage of parcels, the articles, &c., being respectively classed as "*Miscellaneous*" and "*Parcels*."

"Miscellaneous" traffic includes articles charged by weight, in quantities of 2 cwt. and upwards; milk, returned empties, &c. Also carriages, vans, furniture, plants, flowers, Bath chairs, cycles, or anything conveyed in carriage trucks and charged at carriage rates. It also includes horses, cattle, dogs, and other animals, except small animals conveyed in hampers (not exceeding 2 cwt.), and charged as "parcels."

All other articles, including perambulators, cycles, Bath chairs, booked at parcel rates, or carried as excess luggage, under 2 cwt., are dealt with as "Parcels."

25. Parcel, &c., Way-Bills.—Every article sent by passenger train—except horses, carriages, &c., which are entered on special tickets (30)—should be accompanied by a "Parcel" or "Miscellaneous" Way-bill, or bill of charges for carriage (Form Nos. 6 and 7, App.).

For the charges, four money columns are provided, viz.:—"paid on," to pay," "paid" and "through."

If the consignee is to pay carriage, the amount is entered in the "to pay" column; if the sender pays, the amount is entered in the "paid" column. If the article is addressed to some place on another Company's Railway, and the sender desires to pay carriage for the whole distance, the foreign Company's charge may, if the parcel is for some reason not booked through, be added to the local rate, and the sum total entered in the "paid" column, the foreign Company's charge being entered in the "through" column. The latter amount is then paid to the foreign Company out of the cash at the local Company's junction or terminal station.

For instance, the sender of a parcel from A may desire to pay carriage through to C, viâ B, but the parcel is only booked to the junction station B. The charge to B is eightpence, and from B to C, fourpence; therefore one shilling is entered in the "paid," and fourpence in the "through," columns. The Station-Master at B is authorised by the latter entry to pay fourpence out of his coaching receipts to the forwarding Company there for carriage from B to C; and of course the amount so paid should be entered by that Company in the "paid" column of their way-bill to C, and the parcel delivered to consignee without further charge, unless he happens to reside beyond the delivery boundary. Through

booking arrangements are now so general that cases of this kind are becoming rare.

The "paid on" column is for cash paid out at the forwarding station in respect of foreign Companies', Agents', or other charges. Amounts so paid are entered in the "paid on" column and added to the charges for carriage, the total sums being entered in the "to pay" column.

Thus, if the L. & N. W. Company deliver a parcel addressed to Gretna Green on the Glasgow and South Western Line, to that Company at Carlisle, with one shilling charge upon it for carriage from Preston, this amount would be paid to the L. & N. W. Company out of the G. & S. W. parcel receipts at Carlisle, and the charges entered on the forward way-bill thus:—

G. & S. W. rate to Gretna Green, sixpence; paid on, one shilling; to pay, one shilling and sixpence.

The *forwarding* station, then, is responsible for the collection of, and is debited with, the amounts entered in the "*paid*" column, less "*paid ons*;" and the *receiving* station is responsible for the collection of, and is debited with, "*to pay*," less "*through*" items.

26. Forwarded or "Outward" Parcel, &c., Traffic.

—In making up the charges for the carriage of parcels, and other descriptions of coaching traffic carried at mileage rates, the distance is ascertained from the Railway Clearing House Distance Book, or the Parliamentary fare may usually be taken as denoting it, one mile being assumed for each penny.

Perishable articles, such as fish, game, milk, vegetables, &c., are carried at special rates and under special conditions. The weight of fish, &c., carried at special "station to station" or "not carted" rates from or to foreign stations, is in all cases inserted in the way-bill.

Parcels for the Continent are usually accompanied by a

“declaration,” signed by the sender, as to the nature of contents and value, and by an undertaking to pay “carriage, custom house, and other lawful expenses for the said consignment, if the consignee refuses to defray the same.”

Way-bills to foreign stations should have the *route* distinctly specified upon them.

A ticket with the name of the booking or forwarding station printed upon it, and stating whether the carriage is “paid” or “to pay,” is gummed upon each parcel. This proves very useful when way-bills are lost.

Adhesive stamps, of the value of one half-penny and upwards (purchased from the General Manager), are attached by the senders to newspaper parcels, news-letters, and samples, carried at special station to station rates, and at owners’ risk.

Through or foreign parcels, franked by label, are entered on a special “Newspaper” way-bill (Form No. 8, App.), so that the Foreign Company may be credited with its share of the receipts. The value of the labels is shewn in the column for this purpose, and the franks are defaced before the parcels are delivered to consignees.

The same form, No. 8, is also used for traffic carried at newspaper rates but not franked by label.

Way-bills are kept in pads; and, in booking a parcel, lead pencil is used for the way-bill, and a fac-simile produced by the use of carbon paper. The original bill is filed in the parcel office, and the fac-simile despatched with the parcel to the destination station.

27. Received or “Inward” Parcels from other stations are compared with the way-bills, and the charges checked, both as regards “paid” and “to pay” items; any undercharge or overcharge for carriage being noted on the bill, the proper charge collected (if a “to pay” item), and sending station advised.

All undercharges, both local and foreign, are rectified by supplementary way-bills, no alteration or erasure of the figures entered on way-bills being allowed.

Foreign overcharges are cleared by the receiving station by means of a "paid on" only way-bill (not "to pay"), sent to forwarding station if the overcharge is a "to pay" item. If the overcharge is a "paid" item, the forwarding station takes credit by the same means, and refunds the excess to sender.

It is necessary to obtain the Superintendent's authority for such entries; and the vouchers sanctioning the same are attached to the way-bills in all cases. The "paid ons" are then credited to the Company concerned in the Clearing House settlement.

Credit for local overcharges is allowed in the monthly returns as explained further on.

28. Parcel Delivery Book (Form No. 9, App.)—In this book (or on sheets similarly ruled) are entered, from the way-bills, particulars of inward parcels for delivery. The amounts for carriage are collected, and signatures of consignees obtained, on delivery.

Extra charges for delivery should be inserted in the column for that purpose.

A separate book like the above, termed a "*Parcel Warehouse Book*," is used for parcels addressed "To be left until called for." Parcels so addressed, and not claimed before the expiration of the day following that of receipt, are chargeable with warehouse rent.

Parcels received without bills are delivered in the ordinary course, either with an assumed charge, or with a notification to consignees, if they are known, that the charges will be claimed on receipt of particulars.

If way-bills are received without parcels, or parcels are

received in a damaged condition, the sending and transhipping stations *en route* should be immediately advised, and enquiries made respecting the missing or damaged articles. This is especially important in the case of foreign traffic; for, if the loss is not reported by the receiving Company within twenty-four hours after it has been ascertained, the liability may be held to rest exclusively with the Company failing to report.

The way-bills are in all cases taken to account, and, if necessary, the debits are cleared as previously explained.

It frequently happens that consignees cannot be found, or that they refuse to receive parcels addressed to them. In such cases the senders are advised, the parcels being kept until their instructions are received; but if consignees desire parcels to be returned they should be requested to pay the carriage and sign the delivery book.

In the case of perishable articles, such as fish, fruit, &c., received under similar circumstances, the regulations direct that they should be sold. The same applies to live animals and birds refused, after due notice has been given to the consignee of the intended sale.

Unpaid charges for carriage of such articles or animals sold are deducted from the proceeds of sale, the balance being taken to debit in "extras," and the Superintendent and Accountant advised. Should the proceeds of sale be insufficient to pay carriage, the deficiency is apportioned, in the case of foreign traffic, between the Companies interested, according to mileage.

When parcels are addressed "paid," but entered in the way-bills "to pay," and if the money cannot be collected, the sender's name and address should be obtained, and the amount re-charged to the sending station, which is bound to accept the debit provided the address card on which the

word "paid" is marked is returned, and accompanies the way-bill on which the re-charge is entered.

The above are some of the principal matters usually observed in connection with traffic of the foregoing descriptions, but the Companies' and Clearing House regulations should in all cases be carefully acted upon. This remark applies also to goods and other kinds of traffic, preparation of monthly returns, &c., &c.

29. Extras Book (Form No. 10, App.).—It is a rule that when charges are made, and corresponding debits have not been received in the ordinary course, *special* debits shall be raised to meet the same. This is done by an entry in the "extras" book, which should therefore contain an account of all items collected in excess of the way-bill debit, such as cash collected for parcels received without way-bills, and delivered with an assumed charge; warehouse fees; cartage, portorage, and extra charges for delivery; proceeds of sales of refused or unclaimed articles; items entered outwardly as "paid on" (not paid), for use of covered carriage trucks, &c. The "extras" book entries are numbered consecutively, and the monthly total is taken to account in the Monthly Parcel Summary (39).

If way-bill debits are received in a subsequent month for amounts for which special debits have been raised through "extras," they are cleared by sending a re-charge way-bill—paid on and to pay—to the Accountant, and abstracting it to him in the same way as ordinary traffic is abstracted to a station; the debits being then cleared by the Accountant by a special entry in his books, as will be seen in reviewing the work of his department. It is necessary, in re-charging such items, to give reference to the date and number of the special debit entry in the "extras" book, and other particulars.

30. Horses, Carriages, &c.—For this and other descriptions of coaching traffic, conveyed in horse boxes or

carriage trucks, and charged at horse or carriage rates, also for dogs, passengers' excess luggage, &c., special paper tickets or way-bills are issued [Form No. 11, App.]. These shew:—date, train, names of forwarding and destination stations, description of consignment, name of owner, and the charges—paid on, to pay, or paid,—and serve the same purpose, and are accounted for in the same way as parcel and miscellaneous way-bills.

The "Guard's Way-bill" [No. 11, App.] is delivered by him to the officer in charge at the receiving station; a counterpart, on which the conditions of conveyance are printed, is given to the sender or owner, whose signature, assenting to the conditions, is obtained on the office copy at the forwarding station.

Horses, and other live stock conveyed in cattle trucks by passenger trains, are not, however, entered on these tickets, but are accounted for through the Merchandise department.

When covered carriage trucks are used for the conveyance of private carriages, or for plants, flowers, &c., a charge is made *in addition* to the ordinary rates, varying from five shillings per truck for distances not exceeding fifty miles, to ten shillings for distances exceeding fifty miles; and it is a rule in the case of foreign traffic that this extra charge shall be paid to the Company owning the truck, and not divided in the same way as traffic is usually divided. In order therefore that the owners of the trucks may receive the credit allowed by regulations, the extra charge is entered on the way-bill as "paid on" and "to pay." It is also abstracted separately, in accordance with instructions printed on the monthly abstract forms and summaries.

As there is much misapprehension as to the nature of "paid ons," and to make the matter clear, an illustration of the entry is given in the Foreign Parcel and Miscellaneous

Summary [Form No. 15, App.], wherein it is assumed (1) that nine covered trucks were sent from Grantham to Newcastle, North Eastern Railway, during the month, and that the extra charge of ten shillings was made in each case; (2) that the carriage was prepaid in two instances and charged forward in seven instances; and (3) that the extra charge made for the use of the covered trucks was not in any case actually paid out by the booking Company, although such charge was entered in the "paid on" column of the returns.

Now, bearing in mind this last point, also that *all* "paid ons" are entered as credits, and deducted from the receipts at the booking station, it is clear that unless the amounts were also *taken to debit*, the cash in hand, or remitted to bank, would shew a surplus in the case supposed of four pounds ten. Therefore a special debit is raised for the amount in "extras," as before explained. If the point be further considered in connection with the division and settlement of foreign traffic by the Railway Clearing House, it will be found that when the covered truck belongs to the booking Company, the object aimed at—that the owning Company may receive the extra charge—is by these means attained.

When covered trucks are borrowed from a neighbouring Company, and in order that the owners may receive the extra charge, in addition to the ordinary charges for the use of borrowed stock, the *owners* enter the amount, five or ten shillings as the case may be, "paid on" and "to pay," on a way-bill, which is sent, and abstracted, to the loading station of the borrowing Company, by whom it is taken to debit in the usual course; this debit being then added to the rate, and collected from the sender, if the charges are "paid;" but if they be "to pay," it is entered as a "paid on," and added to the forward rate for collection from consignee.

Thus, if the M. S. & L. Company borrow a covered truck

from the L. & N. W. Company at London Road Station, Manchester, it would rest with the L. & N. W. Company to issue a way-bill "paid on" and "to pay" five or ten shillings to Manchester, M. S. & L., and include the amount in their foreign monthly abstracts. The item would then be taken to debit by the M. S. & L. Company at Manchester, and added to their charge for carriage, as stated above. The L. & N. W. Company is by these means made creditor, and the M. S. & L. Company debtor, for the item in the Clearing House settlement.

In the case of local traffic, the extra charge is shewn separately as "paid on" and "to pay," or "paid" in the same way as foreign.

31. Insurance.—Premiums paid for insurance of parcels, horses, &c., are taken to account on the way-bill or ticket issued. Special insurance consignment notes are used for parcels.

Each note shews:—

Description of goods insured.

Station consigned to.

Consignee's name and address.

Amount for which the goods are insured.

Amount paid for insurance and for carriage.

Train and date.

Sender's signature and address.

Attached thereto is a form of receipt, to be given to the sender; an "Insured Parcel" ticket, to be gummed on the parcel; and an advice note, to be sent to destination station.

The signature of every person is taken, into whose custody such parcels are delivered *en route*.

The conditions of insurance are usually as follows:—

The insuring Company reserves the right of inspecting, before effecting any insurance, all goods delivered to them for insurance, to ascertain that the articles are in accordance with the declaration, and are in good condition, and well packed.

The insurance is to apply only to the point to which the carriage charges cover conveyance and delivery of the insured articles.

The contract for insurance must be made by the forwarding Company, and with the sender only, and the charge for insurance must be prepaid.

The insurance of articles exceeding £500 in value, and of bullion, is only undertaken by special arrangement.

In the case of horses, &c., the declaration of value is made by sender on the counterpart of the ticket issued.

32. Cloak Room.—Railway Companies provide luggage and cloak rooms for the accommodation of the public, and give notice that they will not be held responsible for loss of, or injury to, articles left elsewhere.

For every article left in the cloak room a small registration fee is charged, and a numbered ticket given to the depositor specifying the article or articles deposited and the amount paid.

A duplicate number, attached to each ticket, is torn off and fastened to the luggage described on the ticket issued. This serves as a check upon wrong delivery.

If luggage be not removed within the specified time, a further charge is incurred, and is accounted for by entering the amount on a second ticket; this being attached to the original ticket when surrendered by the depositor on removal of the luggage and payment of the extra charge.

When value is declared and insurance paid, pursuant to Companies' notices respecting valuable articles, the amount is entered on the ticket issued and counterpart thereof.

Luggage deposited in the cloak room is not given up except in exchange for the ticket issued to the depositor. Should the ticket be lost, it is necessary to obtain the

sanction of the Superintendent before the luggage is surrendered.

Charges made for passengers' luggage left in a train or at a station, and subsequently claimed, are accounted for in the return mentioned below; and when such articles are forwarded by train, the amount is entered on a way-bill, "paid on," "to pay," to clear the debit.

A return of cloak room receipts is sent to the Accountant daily. This shews the number of the cloak room ticket book, progressive number and amount of each ticket issued, and a daily total. Collected tickets are sent to the Accountant with the return.

Horse, carriage, excess luggage, &c., cloak room, and insurance tickets are kept in books and type-numbered consecutively.

33.

PARCEL, &c., CASH BOOK.

Date.	Name.	Station.	On account of Outstandings.			Extras.			Inward.			Outward.			Total.			Signature.
			£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	

In this book should be entered particulars of all cash received, whether for carriage or extras.

It is not necessary in the case of inward parcels to enter the amounts in detail. When all the items are collected, as they should be, on delivery, it is sufficient to shew the total of the delivery book in the cash book. It is a good plan to initial the delivery book and give a reference therein to the cash book entry on receiving the cash. This may prevent disputes with delivery porters and agents.

Amounts received for parcels addressed, "To be left until

called for" (entered in the warehouse books), also "outstanding" items, should in all cases be entered separately; also "outward paid" items, unless such a record is made as will give ready reference to the way-bills on which the charges are entered.

A daily total is made, and from this, "outward paid ons," and "inward throughs," are deducted. Receipts for horses, carriages, and dogs, excess luggage, and cloak room, should be entered separately.

34. Station's Daily Coaching Revenue Book.—

This is made up from the Train Book and Parcel Cash Book, and contains the following particulars:—

Amounts received for—

Ordinary Passengers.....£

Special do.

Season Tickets

Excess Fares.....

Postal Messages

Total Passengers..... ..£

Parcels, &c.

Horses, Carriages, &c.....

Cloak Room.....

Total Receipts£

Less.

Paid ons and Throughs (Parcels) £

Do. Horses, Carriages, &c. ...£

Net Receipts.....£

By Cash to Bank£

Underpaid to Bank.....£

Overpaid to Bank£

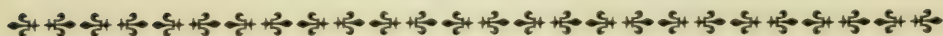
A money column is provided for every day in the month. At the end of the month the amounts are added together horizontally, and the totals should agree, after allowances have been made for outstandings, with the monthly classification debit. (53.)

35. Remittance of Cash. (*Coaching and Goods.*)—In order that cash received by Station-Masters, Agents, Collectors, and others, on account of traffic, may be lodged with the Company's Bankers on the day after collection; moreover, that the money may be banked so as to be readily available to meet the requirements of various localities for wages, tradesmen's accounts, and dividends, the Railway is divided into Districts, a Banking account being opened, and a Cashier appointed to receive and pay cash to Bank for each District.

At the close of each day, the station's cash receipts are balanced, and the bank parcel prepared for despatch by train the following morning in a lock-up cash-box to the Cashier of the District.

A "Remittance Note," or advice, is sent to the District Cashier, shewing how much is for "Coaching," and how much for "Goods" traffic, &c., as follows:—

				Station,
				19
Advice for		£	s.	d.
Coaching		:	:	
Goods		:	:	
Sundries		:	:	
Day's Receipts		:	:	
Coaching Balance Month ending		:	:	
In Bank Parcel	...	£	:	:



This to be sent in the Cash Box.

No. _____

To the Cashier.

				19
I have this day remitted for		£	s.	d.
Coaching		:	:	
Goods		:	:	
Sundries		:	:	
Day's Receipts		:	:	
Coaching Balance Month ending		:	:	
Total to Bank	...	£	:	:

Station _____

Clerk in Charge _____

In the event of any cash being received at the stations for Rents from Tenants of Company's property, miscellaneous accounts for repairs, stores, old materials, unpaid wages, &c., it is remitted with the traffic cash, the amount and particulars being shewn on the cash advice. This obviates the risk of loss involved in sending separate "value parcels" containing the money, by train.

The total of the remittance note should agree with the "Cash Note" enclosed in the parcel for the use of the Bankers, and on which is stated the amount of bank notes, cheques, soldiers' or other warrants, and coin, making up the gross sum.

The cash parcels are delivered by the Cashier to the Company's Bankers *unopened*, together with a summary, or "Bank Sheet," made up from the remittance notes, shewing the amount of each station's remittance.

After the bank sheet has been compared with the cash and signed by the Bankers, it is returned to the Cashier, the total amount received each day being passed to the credit of the Company's current account.

Any surplus or deficiency in the cash parcels is noted opposite the names of the stations, and the total of the summary adjusted by the Bankers.

Soldiers' and other warrants remitted as cash, and cheques which require endorsing, are deducted from the total of the summary, and returned to the Cashier. These will be again alluded to.

The bank sheets, with the corresponding remittance notes, are then sent to the Secretary, who issues receipts to the stations, full credit being given for warrants and cheques returned to the Cashier.

MONTHLY COACHING RETURNS

The monthly returns of Coaching Traffic should be completed and despatched in time to reach the Accountant's office on the morning of the fourth day of the month following that for which they are dated.

We shall deal first with the returns relating to Parcels, Horses, Carriages, &c.; and next with those of Passenger traffic, referring in conclusion to the "Outstandings" account and Stations' Monthly Coaching Balance Sheet.

36. Parcel and Miscellaneous Traffic Abstracts.—

These are made up from the Outward and Inward Parcel, Miscellaneous, and Newspaper Way-bills, and Horse, Carriage, &c., tickets.

The way-bills are sorted and abstracted in the following order, viz.:—

I.—*Local Traffic.*

(a) Traffic with each station.

(b) In the order given in the Accountant's list of stations.

(c) In order of date.

That is to say, in sorting a mixed batch of inward local way-bills, all the bills received from each station during the month would first be placed together, and then arranged in the order of the station list, the bills from each station being placed in order of date.

The outward bills are dealt with in the same way.

II.—*Foreign Traffic*, the receipts from which are subject to division with other Railway Companies.

(a) Traffic with each terminal Company, in the order given on Form No. 14, App.

- (b) Traffic with each station.
- (c) Stations in alphabetical order.
- (d) In order of date.

Separate forms are used for—

- | | |
|-------------------------------------|-----------------------|
| I. Local Outward Traffic | } (Form No. 12, App.) |
| II. Local Inward Traffic | |
| III. Foreign Outward Traffic | } (Form No. 13, App.) |
| IV. Foreign Inward Traffic | |
| V. Foreign Outward "Light" Traffic | } (Form No. 14, App.) |
| VI. Foreign Inward "Light" Traffic | |

The two last named are used only for foreign traffic, the total of which for the whole month, outward or inward, between a pair of stations by any one route, does not exceed five shillings. This is designated "light traffic."

All other traffic is called "heavy." To ascertain if the traffic be "light" or "heavy," paid ons and throughs are deducted from paid and to pay amounts, thus: paid 2/- + to pay 6/- = 8/- — paid on 3/6 = 4/6, which would be entered as "light."

It will be seen on reference to the instructions printed on the form, that it is necessary to furnish to the Accountant a summary only of the totals of "light" traffic to or from each Company, the forms on which the details are entered being in this case retained by the stations.

All abstract forms are printed for forwarded traffic in *black* ink, and for received traffic in *red*, and a separate form is used for traffic with each station.

The number of parcels, &c., and the daily totals to be entered in the money columns of the abstracts, are ascertained by adding together the numbers and amounts entered on the way-bills for each day, care being taken to enter "Parcels" and "Miscellaneous" traffic separately, as indicated by the forms.

In order to facilitate the work of the Audit office, each local abstract is cast to shew three totals, viz:—1st to 15th, inclusive; 16th to last day of month, inclusive; and total for month.

At large stations abstracting is done daily, weekly, or fortnightly, as may be most convenient; but where the traffic is small, and the returns can be completed by the proper time, it is done immediately after the close of the month.

37. Foreign Traffic.—In abstracting and summarising foreign traffic, attention should be paid to the following (see also note to marginal No. 28):

- I. It is essential that the route by which traffic has been conveyed, and the names of the stations be accurately and clearly specified; also that the moneys are fully and correctly inserted in their proper columns. The latter remarks apply with equal force to local returns.
- II. When traffic is exchanged with foreign stations from which there may be an alternative route, the traffic from or to those stations *by each route* is kept distinct.
- III. In cases where there is an alternative route, and the inward way-bill does not indicate the route by which the consignment has been conveyed, that route which will give the receiving Company the larger mileage proportion is assumed and abstracted.
- IV. Re-charges, such as “paid on” way-bills, to clear overcharges included with the ordinary entries in the foreign abstracts, are also entered (with a reference to the document authorising the re-charge in each case) in the columns of the abstracts provided for this purpose. These items are entered

with the traffic—"parcel" or "miscellaneous"—to which they refer. Re-charges for refunded passenger fares, claims on parcels, allowances, bill-posting, &c., are treated throughout as "miscellaneous."

- V. The number of parcels, horses, carriages, and dogs, sent to and received from each place should be carefully given. This applies also to local traffic.
- VI. The value of newspaper franks is entered in the column of the *foreign* (not local) abstracts and summaries provided for that purpose, but the *number* of these parcels is not shown.
- VII. The number of unfranked newspaper parcels, and parcels open at both ends, containing periodicals, and consigned at special rates exclusive of collection and delivery, should *not* be entered in the abstracts, "terminals" not being allowed in these cases by the Railway Clearing House.
- VIII. In the case of miscellaneous traffic (excepting milk), the number of packages is *not* entered, but the *weight* in each case should be carefully given, so that the proper terminal allowances may be made by the Clearing House. The weight of fish 2 cwt. and upwards, should be shewn separately. The weight of excess luggage is *not* entered.
- IX. Foreign undercharges rectified by supplementary way-bill. The abstracts should only state the amount of the undercharge, and not contain a supplementary entry of the number of parcels or of the weight of fish, &c., unless the weight were understated on the original bill, in which case the difference between the weight originally entered and the actual weight should be abstracted.

X. Supplementary Abstracts. It is of utmost importance that all returns of foreign traffic should be punctually rendered; and, therefore, in the event of all the way-bills not having been received before the date on which the returns are due, the latter should be despatched, and supplementary returns sent *daily*, as the missing way-bills come to hand. These supplementary returns should bear the date of the way-bills to which they relate, and not of the day they are sent off.

XI. If a station wrongly way-bills "Parcel" traffic as "Miscellaneous," or *vice versa*, it should be correctly abstracted and the forwarding station immediately advised.

38. Parcel, &c., Summaries (Forms No. 15 and 16, App.).—These are made up from the abstracts after the latter have been completed for the month.

The local "inward" and "outward" abstracts, respectively, are fastened together in the order of the station list, the names of each station, and monthly totals of each abstract being inserted in the Local Summary in the same order. The summary is then added up.

The totals of the foreign abstracts are transferred to the Foreign Summary in like manner; each Company's traffic, however, is kept separate, and the stations are entered in alphabetical order as explained. The amount of the "Light" summary is inserted at the foot, the total being then added to that of the "Local," to shew on the latter a grand total for the month.

A detailed account is given on the back of the local Summary of each outward horse, carriage, &c., ticket issued during the month, with the charges, foreign as well as local.

SUMMARY OF TOTALS.

Column No.	PARCELS. £ s. d.	Column No.	MISCELLANEOUS. £ s. d.	Total Parcels and Miscellaneous	DEBIT. Enter on Classification.	CREDIT. Enter on Classification.
2	Outward Paid.....	5	Outward Paid .....	.....	£	£
3	„ Excess Luggage..	6	„ Excess Luggage..	.....	
7	Inward To pay	10	Inward To pay.....	.....	
	Extras		Extras .....	.....	
			Cloak Room.....	.....	
			Cab Rents.....	.....	
			Time Tables.....	.....	
	Debit.....		Debit.....	.....	
13	Outward Paid on	15	Outward Paid on .....	.....	
18	Inward Through.....	20	Inward Through.....	.....	
	Overcharges		Overcharges .....	.....	
			Delivery Bill .....	.....	
			Refused Parcels A/C. ....	.....	
	Credit.....		Credit.....	.....	£	£
	Net Parcel Debit		Net Miscellaneous Debit ..	.....	£	£

39. SUMMARY OF TOTALS.—This is given in the form illustrated on the back page of the Local Parcel Summary, and includes both local and foreign traffic.

It will be seen that those items only are included which affect the *debit* against the station to which the return relates: that is, only those amounts are entered, for the collection and remittance of which the Agent at such station is held responsible, after deductions have been made under the head of credits for “paid ons,” “throughs,” and other allowances.

The outward “paid,” outward “excess luggage,” and inward “to pay” (debits), also the outward “paid ons,” and inward “throughs” (credits), are copied from the front page of the Summary.

The remaining items we may refer to separately.

40. “Cloak Room Receipts.”—These are summarised from the daily returns; the daily totals, and a total for the month only being given.

41. “Cab Rents.”—Rents paid by Cab Proprietors for use of Company’s stands are collected by the Clerks-in-charge, who are advised by the Superintendent of the amounts. They are entered in a return shewing the following particulars:—Name of proprietor; amount of deposit; number of cabs; rate per cab per week; total, as per summary.

42. “Time Tables.”—These are distributed by the Stores department in accordance with the Superintendent’s instructions, and a statement is sent to each station, shewing the number of books supplied.

When out of date, books unsold are returned with the statement, to the Accountant; the number sold or retained for station use having first been entered therein.

The cash for books sold is included with the daily remittances for parcels, and the monthly total is taken to debit in the summary, as shewn.

43. "*Extras.*"—This is the month's total of the extras book, the nature of the entries in which has been explained. An exact copy of this book, called "Extras Summary," is sent to the Accountant with the monthly returns.

44. "*Refused Parcel Account.*"—This is a special entry, and refers only to the accounts of the station to which parcels refused by addressees may be sent from all parts of the system. When there are charges upon such parcels for carriage, they are re-charged "paid on, to pay" per parcel-way-bill, to that station. A monthly list of the charges is prepared, and the debits cleared by a credit entry in the Summary of Totals as shewn, such entry being certified by the traffic Superintendent, who also issues instructions as to the disposal of the parcels.

45. "*Overcharges.*"—Particulars of overcharges on local traffic are entered on special returns—(Form No. 17, App.)—but only those items are abstracted that affect the debit of the station, viz. :—overcharges on inward "to pay," and outward "paid" or "paid on" amounts.

Reference to correspondence with the station from which the parcel was received, or to which forwarded, and the authority for the overcharge entry, is attached to the abstract in every case.

A separate form is used for traffic with each station; a summary being then made, and the total thereof entered in the Summary of Totals as above.

When the *whole* amount of the way-bill debit requires clearing it is necessary to apply to the Superintendent for a "Local Recharge Voucher," and in this case, the item is re-charged to the debit of the Accountant.

Overcharges on *foreign* traffic are cleared by means of "paid ons," as previously explained.

46. "*Delivery Bill.*"—This is required only at places where Agents are employed to deliver parcels, and an allowance per parcel is made by the Company for such service.

The number of parcels delivered each day is ascertained from the delivery book or sheets, and the account certified and paid by the Clerk-in-charge at the end of each month, out of his general coaching receipts. The Agent's receipt for the amount is taken on the Delivery Bill, which is sent with the Parcel Summary (on which credit is taken, as shewn), to the Accountant.

When Agents undertake the *collection* of parcels for transit by Railway, and open Town Receiving Offices, they usually receive a commission or small booking fee from the Railway Company for this service.

We now come to the final operation in connection with the Parcel, &c., Summaries, viz:—

47. Balancing the Totals.

The <i>Inward To Pay</i> of the Summaries, <i>plus</i> amounts charged on parcels, &c., received without bills and taken to debit in Extras, and <i>minus</i> overcharges.	}	Should agree with the total for the month of the Delivery and Warehouse Books.
--	---	--

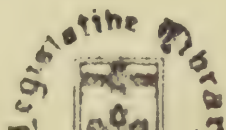
The <i>Inward To Pay</i> , <i>minus</i> overcharges and outstandings	{	the total of the Inward column of the Parcel Cash Book.
--	---	---

The <i>Outward Paid</i> (<i>minus</i> overcharges and outstandings) and <i>outward excess luggage</i>	{	the total of the Outward column of the Parcel Cash Book.
--	---	--

The <i>Outward Paid ons</i> , <i>Inward Throughs</i> and <i>Delivery Bill</i>	{	the month's total of the corresponding deductions in the Cash Book.
---	---	---

Cloak Room and Time Table Receipts, Cab Rents and Extras	}	the Cash Book.
--	---	----------------

The totals of the Cash Book	{	the corresponding totals in the Station's Coaching Revenue Book.
-----------------------------	---	--



RAILWAY. CLASSIFICATION OF PASSENGER TRAFFIC.

Month Ending

19

Station.

* +	Stations and Classes.	Commence Numbers.	Closing Numbers.	DEDUCTED FOR			NUMBER OF PASSENGERS.						Gross Rate.	AMOUNT FOR PASSENGERS.			
				Chil- dren.	Not Sold.	Sold to Excursionists.	RETURN.			SINGLE.				First Class.	Second Class.	Third Class.	TOTAL. No. Amount.
							1st	2nd	3rd	1st	2nd	3rd & Sol.					
	..... Retn. 1	52	55	..	..	..	3	..	..	..	..	4/-	£ s. d.	£ s. d.	£ s. d.	..	£ s. d.
	..... Retn. 2	91	98	..	..	..	..	..	..	..	..	3/-	..	..	..	..	..
	..... Retn. 3	265	312	2	..	..	..	..	..	..	..	2/-	..	1 1 0	4 12 0	..	..
	..... Single 1	32	38	..	..	..	..	..	..	46	6	2/-	12 0	..	..	..	..
	..... Single 2	131	166	6	..	..	..	..	..	..	..	1/6	..	2 8 0	..	..	..
	..... Single 3	648	842	4	..	..	..	..	..	..	32	1/-	..	..	9 12 0	286	18 17 0
	..... Retn. 1			..	..	..	..	..	..	..	..
	..... Retn. 2			..	..	..	..	..	..	..	..
	..... Retn. 3			..	..	..	..	..	..	..	..
	..... Single 1			..	..	..	..	..	..	..	..
	..... Single 2			..	..	..	..	..	..	..	..
	..... Single 3			..	..	..	..	..	..	..	..
	and so on.																
	TOTAL..																

Bookings to local stations entered first. Other bookings in order given.

Totals for each page carried to Summary on last page, the total of which is carried to the "Summary of Traffic."

Two extra columns are provided on the pages used for bookings to foreign stations, for foreign proportion rate and amount.

* Numbers of unsold children's tickets given in this column.

† Numbers of tickets taken credit for as not sold given in this column.

If the work has been correctly done there will be no trouble, but if there is a difference, no effort should be spared to discover the cause, notwithstanding that this may involve the checking of all the entries. A true balance will save much subsequent labour, both at the station and in the Accountant's office and Railway Clearing House, to say nothing of the satisfaction derived, and credit gained, by a methodical and accurate rendering of the returns.

It would be found that a *daily comparison* of the way-bills, with the entries in the delivery and other books, would prove a valuable aid in balancing the monthly totals.

After the returns have been balanced, copied in a tissue book, and despatched to the Accountant, the way-bills are tied up in bundles, docketed, and put away at the stations for future reference.

MONTHLY RETURNS OF PASSENGER TRAFFIC.

48. Monthly Classification of Passenger Traffic.—

This return, like the Train Book, is made up from the commencing and closing numbers of the tickets and coupon orders.

The "commencing" numbers are the closing numbers of the previous month *brought forward*, and the "closing" numbers are copied from the next ticket to issue, immediately after the departure of the last train in the current month.

All stations to which passengers have been booked during the month are entered in this return; also every description

of ticket issued, excepting Tourists', Season, and Member-of-family tickets, for which special forms are used.

The commencing and closing numbers are shewn in all cases when there have been bookings, otherwise commencing numbers only are given. All the details are first entered and worked out in books kept at the stations, and afterwards copied on loose sheets, these latter being sent to the Accountant.

The entries are usually made in the following order:—

- I. Bookings to local stations.
- II. Pleasure parties.
- III. Two Companies' traffic. Each terminal Company's traffic is kept separate, and the stations are entered, by each route, in alphabetical order.
- IV. Three or more Companies' traffic: entered in like manner.
- V. Special settlements: *i.e.*, Foreign traffic, the receipts from which are divided by special arrangement between the Companies interested.
- VI. Bookings by Special trains, and Special bookings by ordinary trains: copied from the red ink entries in the Train Book.
- VII. Continental bookings: entered from the counterfoils of the coupon orders.

Blank card and foreign paper tickets are entered by themselves as "local," "two," "three" or more Companies' traffic, as the case may be, in the ordinary classification; as are also Excess Fares (of which a monthly summary of the daily totals is made), and Soldiers', &c., tickets as shewn by the counterfoils of the tickets issued.

It may be useful to remark that in taking the closing

numbers, the work at large stations is done very rapidly by one person reading the numbers from the tickets to another who writes them in the book, and repeats aloud the figures written down as a check upon mistakes in transcribing.

Credit is allowed for unsold half single journey tickets, and for the triangular pieces cut from return tickets, in the column headed "Children," the number of each half being entered in the margin for this purpose.

When tickets, for any reason, are not issued, credit is allowed in the "not sold" column, the number of each being given.

All unissued whole and half tickets are tied up in the same order as they appear in the "Classification," and sent therewith to the Accountant; otherwise credit is not allowed.

When the entries and calculations have been completed, each page is added up, and the totals inserted.

The next operation is to carry the totals, including also the totals of the Season, and Tourist ticket Classifications (referred to below), to a summary on the last page. A Grand Total for the month is then made.

If the details have been correctly worked out, the Grand Total, less outstandings for season tickets not delivered, will agree with the month's total for "passengers" in the station's Coaching Revenue Book. Differences may be discovered either by checking the entries and calculations, or if a "Daily Classification Book" is not kept, by adding together and comparing the train book entries for each station with the corresponding entries in the classifications.

49. Season, and Member-of-Family Ticket Classification (Form No. 18, App.).—This is made up from the General Manager's statements previously referred to (19). The correct debit should be entered for each ticket received from the Manager during the month, whether the amount has, or has not

been collected. The totals (amounts only) for the month are carried to the summary, as mentioned above.

In the event of season tickets not being taken up by the applicants, they are returned to the Manager, by whom the Accountant is advised, and credit is allowed in the following month's return. Some Companies, however, make it a rule to require payment before the tickets are prepared, and this, of course, does away with "outstandings" altogether.

50. Tourist Classification.—This contains a specification of tourist tickets issued, together with their separate and collective value, each month during the tourist season. The numbers and amounts are shewn in precisely the same way as in the ordinary classification, to the general summary of which the totals of the Tourist Classification are carried.

51. Tourist Extension-of-Time Ticket return.—This contains the particulars of extension-of-time tickets issued, also of the expired tickets. It is made up from the counterfoils of the former, and the total is included in the general summary. The surrendered tickets are sent to the Accountant with the return.

52. Foreign Companies' Proportions.—To facilitate the work of the Audit office, the foreign Companies' proportions of through traffic are inserted in the classifications by the stations in all cases where the foreign proportion rates have been supplied. But *all* through bookings, except tourists', are entered on Form No. 19, App., whether rates have been supplied or not; the "Foreign Proportion" being afterwards dealt with by the Accountant or the Railway Clearing House in those cases where rates have not been furnished.

Particulars of foreign paper tickets issued during the month, and the foreign proportions of the fares, are included in these returns; also "excess fares," when other Companies are entitled to participate.

Separate forms are used for two, and three Companies' traffic, commencing numbers being brought forward in those cases only where there have been bookings.

An account of tourist tickets issued is entered, for the purpose of calculating the foreign Companies' proportions of the receipts, on form No. 20, App., and sent to the Accountant with the tourist classification each month during the tourist season. The mileage and foreign proportion columns in this return are filled up by the Accountant's staff.

53. SUMMARY OF TRAFFIC.—This is shewn at the foot of the last page of the Ordinary Passenger Classification, and exhibits the gross amount with which the station is debited in respect of all Coaching Traffic from or to that station during the month. In this summary we have,

I. The amount received from Passengers.—

This portion of the debit is brought down from the Summary of Classification totals (48).

II. Parcels, &c.—This is the amount of the *debit* shewn by the Parcel Summary of Totals (39).

III. Telegrams.—This is the amount received from the Telegraph Clerk during the month as shewn by the returns relating thereto, and Station's Daily Coaching Revenue Book (23). Then follows,

IV. The total of I., II., and III. ; from which is deducted the amount of the *credits* for "paid ons," &c., entered in the Parcel Summary of Totals, the difference being

V. The Net amount for which the Station-Master is accountable. This amount should be equalled by his remittances of cash, plus any items not collected on parcels, season tickets, &c., shewn in detail in the "Coaching Outstandings" book.

STATEMENT OF COACHING BALANCE,

Station,

Station Agent, _____ 19____

* Particulars of outstanding items, with explanation why not collected, given on the back hereof.

The correctness of the return as to tickets, numbers, and money is certified by the Station-Master.

54. Coaching Outstandings Book (Form No 21, App.).—This book is designed to shew the state of the station's Coaching Balance at the end of each month.

It contains a statement of:—

- I. The previous month's balance brought forward, and the current month's classification debit.
- II. The amount of the cash remittances in current month ;
and
- III. Particulars of the balance.

This balance may consist partly of charges on parcels, &c., not received in time to be delivered within the month for which the way-bills are dated ; partly of charges on articles left until called for ; partly of charges on parcels refused by consignees, or for other reasons not delivered ; and partly of items taken to debit in the classification for season tickets received from the General Manager, but not delivered to applicants within the month.

As nearly all the transactions that affect the debit of a station, are, in the Coaching department, for "cash on delivery," a note should be made as to the cause of outstanding against those items not paid or cleared. Reference, also, to any correspondence relative thereto, should be entered in each case.

55. Statement of Coaching Balance.—This is the Station-Master's Balance Sheet for the Accountant, and shews for all descriptions of Coaching traffic at the station to which it relates :—

I. Debits.

- (a) Balance from last month's account.

- (b) Gross classification debit for current month.
- (c) Special debits (see below).
- (d) Total debit.

II. Credits.

- (a) Cash paid to Bank for current month's traffic.
- (b) Cash paid to bank for previous month's balance.
These entries (*a* and *b*) should correspond with the month's total of the Coaching Revenue Book and Secretary's receipts.
- (c) Credits for "paid ons," &c., as per Parcel Summary of Totals.
- (d) Special Credits. Items are not entered in this column without the express authority of the Accountant.

III. Balance Outstanding, as per Coaching Outstandings Book. A statement shewing how this is made up is given on the back of the return.

The following instructions as to "Special debits" and season tickets are printed on the form:—"If the cash paid to Bank for passengers exceeds the passengers' total upon the classification, the difference must be taken to debit on this balance sheet in the special debit column, an explanation of the same being attached hereto. . . . Season tickets coming into operation in the following month must be taken to debit currently, if the cash has been received."

56. We conclude this Section with the following *résumé* of the ordinary monthly returns of Coaching traffic sent from each station to the Accountant:—

General Passenger Classification and Summary of Traffic,
with unsold and half-tickets.

Season and Member-of-Family Ticket Classification.

Tourist Ticket Classification (during the Tourist Season).

Tourists' Extension-of-Time Ticket return.

Foreign Proportion returns.

Postal Telegraph and Portage returns.

Parcel, &c., Abstracts and Summaries.

Cloak Room return.

Cab Rent return.

Train Time-Books return, and books unsold.

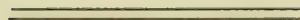
Local Overcharge Abstracts and Summaries.

Agents' Delivery Bill.

Extras Summary.

Refused Parcels Account.

Statement of Coaching Balance.



STATION ACCOUNTS OF TRAFFIC

(GOODS DEPARTMENT).

It is perhaps scarcely necessary to repeat what has been said about the importance of following Official instructions in connection with Railway work. The statements, and any suggestions offered herein, are based upon, and it is believed will be found to harmonize with, the practice of the principal Companies, but that should not in any way diminish the emphasis of the preceding remark.

57. OUTWARD GOODS, INVOICING, &c.—The foundation of the accounts of the Goods department is the invoice. This, like the parcel way-bill, contains particulars of the consignment (copied from the consignment note), and the charges for carriage, cartage, &c.

58. Consignment Notes.—Several forms of consignment note are used, varying with the nature of goods offered, and the conditions under which they are accepted for conveyance. These conditions are printed on the forms.

For general merchandise carried at rates under which the Company takes the ordinary risk of a Carrier, and performs the cartage, form No. 22 (App.) is generally used. These forms are also bound into books of convenient size for the public, who take a receipt, on a perforated counterpart, for goods delivered to the Company.

For goods which the sender desires to be carried at lower, or "owner's risk" rates, a similar form is used; but in this case the following heading is substituted for that on form No. 22.

CONSIGNMENT OF GOODS TO BE CARRIED AT OWNER'S RISK.

THE _____ RAILWAY COMPANY HEREBY GIVE NOTICE that they have two rates for the conveyance of certain articles—one, the ordinary rate, if they take the ordinary liability of the Carrier; the other—a reduced rate, adopted if the Sender relieves them of all liability for damage or delay.

To the _____ RAILWAY COMPANY.

_____ STATION, _____ 19

The _____ Railway Company are requested to receive and forward as per Address and particulars on this note the undermentioned Goods which are received by the Company upon the terms stated on the other side, and on condition that they shall be unloaded by the Consignee, within 24 hours after notice to him of their arrival at the station to which they are consigned, or after the expiration of that time an additional charge beyond the amount due for carriage will be made by the Company of 3s. per truck, for every day or part of a day during which the unloading shall be delayed, and the Goods will be held by the Company as Warehousemen only, and at the sole risk of the Owner.

The Goods to be carried at the reduced rate below the Company's ordinary rate, in consideration whereof I undertake to relieve the _____ Railway Company, and all other Companies over whose lines the goods may pass, from all liability in case of damage or delay.

SENDER _____ ADDRESS _____

For goods carried at special rates, under which the Company takes the ordinary risk of a Carrier, but does not perform the cartage, a form like the foregoing is used, the notice as to owner's risk being omitted.

For gunpowder, fireworks, dynamite, and other dangerous goods, carried only under special regulations, a "Consignment note for dangerous goods" is used, and the following take the place of the ordinary conditions of conveyance:—

In order to afford the utmost security to the public against any accidents which may be apprehended from the conveyance of *Gunpowder, Lucifer-Matches*, and other

Dangerous Articles on the Railway, the Company decline to receive such dangerous articles, except under the following Regulations and Conditions :—

Articles of the description abovementioned will not be received unless plainly and fully addressed, and with the contents of each package written or printed thereon ; and unless they are also in good condition, and in strong and sufficient packages. The Company cannot allow them to remain on their premises longer than is absolutely necessary ; and, if not accepted by the Consignee, will be *immediately returned* to the Sender, who will be called upon to receive them at once and pay the whole charges incurred for CARRIAGE, BACK CARRIAGE, and RE-DELIVERY.

The duties of Common Carriers in respect of goods conveyed under this Agreement are not undertaken by the Company, nor are the Company to be subject to any risk of loading, stowage, or unloading, nor are they to be answerable for loss or damage, actual or consequential, nor for discrepancy in the delivery as to either quantity, number, or weight, nor for the condition of Articles so carried, nor for any consequences arising from over carriage, detention, or delay in, or in relation to, the conveying or delivery of them.

Senders of Dangerous Articles who do not give notice in writing of the contents of Packages containing such Goods are liable to a penalty of £20.

These Regulations and Conditions cannot be altered or dispensed with by any person whomsoever, and are applicable for the whole distance the articles are carried.

CONSIGNMENT NOTE FOR DANGEROUS GOODS.

_____ Station, _____ 19

The _____ RAILWAY COMPANY are requested to receive and forward, as per Address and particulars on this note, the undermentioned Goods, *on the Conditions and Regulations stated above*, to all of which _____ hereby agree.

Sender _____ Address _____

In the case of oily goods, such as oily rags, paper, waste, and canvas for packing, the conditions are as under :—

And in consideration of the Company accepting the said Oily Rags, Oily Waste, Oily Paper, or Oily Canvas, to be carried as aforesaid, it is agreed that the said Rags, Waste, Paper, or Canvas, is carried at _____ sole risk, and that _____ relieve the Company from all liability, and can make no claim against them for any loss, destruction, or damage of, to, or in respect of the said Rags, Waste, Paper, or Canvas, arising from Fire ; and _____ further agree, that on the arrival at the Station to which it is consigned, as above, the said Rags, Waste, Paper, or Canvas, shall be removed therefrom within twenty-four hours after delivery of the Advice of Arrival to Consignee. Failing which, _____ authorise the Company to deposit the _____ in some public wharf at _____ expense, but in case no such wharf exists at the place of destination, or if the wharfinger refuses to accept the Rags,

Waste, Paper, or Canvas, _____ empower the Company to sell the said Rags, Waste, Paper, or Canvas, for the charges thereon, and retain all sums of money payable under or by virtue of this Contract.

In Witness whereof we have hereunto set our hands the day and year first above written.

Signature _____

As the Agent and on behalf of the _____ Railway Company _____

For naphtha, petroleum, benzoline, and other mineral oils, special forms are also used ; the sender being required to sign a declaration printed thereon as to the degree of heat at which the oils will give off inflammable vapour.

When the vapour given off is inflammable at a less temperature than 100° Fahrenheit, the sender is required to sign a special contract note as follows :—

And in consideration of the Company accepting the said Goods to be carried as aforesaid, it is agreed that the said Goods are carried at _____ sole risk, and that _____ relieve the Company from all liability, and can make no claim against them for any loss, delay, destruction, or damage of, to, or in respect of the said Goods, from whatever cause arising ; and _____ further agree that, on the arrival at the Station to which they are consigned as above, the said Goods shall be removed therefrom within *two* working hours, after the delivery of the advice of arrival to consignee. Failing which _____ agree to pay a sum of five shillings per ton per hour, to be recovered or retained by the said _____ Railway Company, as and for liquidated damages, and if not removed within twelve working hours _____ authorise the Company to sell the said Goods for the charges thereon, and retain all sums of money payable under or by virtue of this Contract.

In witness whereof we have hereunto set our hands the day and year first above written.

Signature _____

As the Agent and on behalf of the _____ Railway Company _____

It is the duty of the Warehouseman, or Checker, to see that consignment notes are correctly filled up ; that the names and addresses, or marks given therein, correspond with those on the goods, and that the nature of the consignments, quantities, weights, &c., are accurately inserted.

The consignment notes are then handed to the Invoice Clerk, the owners' names and the numbers of the wagons into which the goods have been loaded, having first been marked upon them.

59. Invoicing.—Too much importance cannot be attached to careful preparation of the invoices. An incorrect statement thereon as to the destination, ownership, or description of the goods, or even the insertion of a wrong wagon number, might lead to complications and loss. The route, also, should be distinctly given when invoicing to foreign stations, so that each Company may receive its proper proportion of the charges for carriage.

Form No. 23 (App.) is generally used for invoicing goods to local stations, and to foreign non-competitive stations.

For goods consigned to the stations of competing Companies a similar form is used, but the sender's name is inserted in a column at the end of the invoices and torn off, after tissue copies have been taken, and before the invoices are despatched.

Consignment notes and invoices are numbered consecutively, the number of the one being usually marked on the other to facilitate reference.

When goods are loaded into a wagon which is not intended to run through, the name of the transshipping station is marked on the invoice against the number of the wagon.

Goods of a light nature for intermediate stations for which there may not be sufficient to make a wagon load, are usually conveyed in the van of the train. The invoices in such cases are marked "Van," and the particulars entered on the Guard's way-bill (Form No. 24, App.), to which the invoices are attached. The Guard of the train is expected to compare the entries in his bill with the invoices and goods, and is held responsible for their delivery to the person in charge at the destination station, whose signature is taken in the column provided for that purpose.

When all the goods and invoices have been delivered, and the signatures obtained, the way-bills are sent to the office of the Goods Manager.

The Sender's name is not in all cases known to the Company when carriers collect the goods and hand in their own consignment notes, or when goods are transhipped by another Railway Company. In such cases the carriers or the Railway Company are assumed to be the senders, and their names are inserted accordingly.

The full address of the Consignee, as given in the consignment note, is always entered in the invoice, unless he is either well known to the Company's staff, or the goods are consigned to the care of carriers. In the latter case the name of the carrier is inserted in the column for that purpose.

To enable the invoice clerk to calculate the charges for carriage he is furnished with a copy of the "Clearing House Classification of Goods." The articles in this list are with few exceptions arranged in classes, regard being had, in the classification, to the nature and value of the goods, and to the various conditions in and under which they are carried; *e.g.*, articles such as common bricks and iron ore, loaded and unloaded by the owners, and carried at their risk, are placed in the "Mineral" class, and charged at low "station to station," or "not carted," rates. On the other hand, articles more liable to damage, such as furniture, musical instruments, and other goods needing special care, and in respect of which the Company takes the ordinary risk of a carrier and performs the cartage, are placed in a higher class. For these higher rates are charged.

The rates, &c., as advised by the Goods Manager from time to time are entered in a Rate Book:—local first, in alphabetical order of stations; and foreign next, the latter in alphabetical

order of Companies. Reference to the Manager's authority for all alterations or additions, is noted in the book when making the entries.

New rates should not be quoted by agents without the Manager's sanction; all new traffic likely to be offered being immediately made the subject of correspondence and negotiation.

The rate having been entered in the invoice, the charges are calculated and extended, "paid," or "to pay," as the case may require.

In the "carted," "not carted," and "mineral class" columns of the invoice, is entered, as a rule, the weight of goods carried at "carted," "not carted," and "mineral class" rates respectively. The exceptions to this rule are specified in the regulations.

"Smalls," under 112 lbs., except returned packages, are entered as one hundredweight, the actual weight being shewn in the margin of the invoice. The charges for packages of 500 lbs. or under are regulated by a special tariff.*

When goods are carried at owner's risk, the sign "O.R." is made in juxtaposition to the rate on the invoice.

Returned empty packages, except those specified in the regulations, and such as are carried free, are invoiced carriage paid. "If returned empties be invoiced 'carriage to pay' without previous arrangement, the receiving station is at liberty, without asking authority, to recharge the amount to debit of sending station; and the sending station is bound to take such recharge invoice to account, provided it be made within three months of the date of the to pay invoice."

* Numerous alterations in the conditions under which goods, live stock, and minerals are carried, also in the rates, terminal allowances, and classification of the articles, arising out of the enquiry held by the Railway Rates Commission, came into operation on 1st January, 1893.

Free empties are entered on free invoices, and are carried from station to station only, "unless under special circumstances the Companies interested agree to allow cartage."

"If desired, senders of goods may be permitted to pay a portion of the carriage, leaving the remainder of the charge to be paid by Consignee" (*vide* regulations).

The nature of "paid ons" has been explained in connection with the Coaching accounts. In the Goods department, however, the expression "paid ons" has a wider meaning, often including sea freight, custom house duty, port charges, &c., and "*Paid ons not paid.*" This latter term comprehends a variety of charges, not for cash actually paid out, but for special services rendered, meat cloths, hampers, &c., supplied by the Company, for which charges are made in addition to the through rate. It includes charges for warehousing, wharfage, junction, and other dues accruing to the Company; also charges for sack hire, risk, and demurrage. These special charges (as in the case of covered carriage trucks) are shewn as "paid on," mainly in order that in dealing with the returns of foreign traffic, the invoicing Company may be credited therewith by the Clearing House. It is obvious that if the amounts were simply added to the charges for carriage without being shewn as "paid on," the Clearing House would allocate to other Companies a proportion of earnings for work they had not performed. "Paid ons not paid" are invoiced to local as well as to foreign stations, whether they be in connection with "paid" or "to pay" items. It will be explained farther on how these credit entries are dealt with. It is sufficient for the present to remark that in the case of foreign traffic, they represent the items for which the invoicing Company requires credit in the Clearing House settlement.

In invoicing grain separate forms are used, and special instructions as to sacks let out by the Company for hire have to be observed. These will be explained in dealing with the accounts.

Distinctive invoices are used for Irish and Continental traffic. Invoices of Continental traffic are accompanied by a declaration (signed by the sender) as to the nature, weight, value, and origin of the goods, and an undertaking to pay "carriage, duties, and all other lawful and customary expenses, and return charges thereon, should they be refused by consignee."

All invoices should be checked with the consignment notes, rate book, &c., and errors corrected, before being copied and sent away. When this is done a great saving of correspondence in clearing undercharges and overcharges is effected.

Invoices, except those of "van" goods, are despatched by the best available means, so as to reach the transshipping or destination station before, or by the time of the arrival of the goods so that there may be no delay in unloading or delivery. At important stations, where the invoices are numerous, the signature of the Guard of the train to whom they are delivered, is taken in a book provided for this purpose, called the Invoice Despatch Book.

When dangerous or perishable goods are consigned, the wagons into which such goods are loaded are labelled with special labels.

"When through goods are sent to any station for transshipment, an advice way-bill of mixed trucks containing the totals of the invoices of such goods shall be sent to the transshipping station along with the original invoices" (*vide* regulations).

The conditions of Insurance are the same for goods as for parcels. Special consignment notes and labels are used, and similar precautions taken for the safe transit of the articles insured in each case. The charges for insurance are entered on the invoices.

60. Live Stock is not entered on goods invoices, but on tickets (type numbered, with counterfoils), supplied by the Accountant.

Instructions as to this description of traffic are, as a rule, fastened in the cattle rate books, and the following will be found to embody the principal points:—

The regulations respecting disinfecting and cleaning of cattle docks and wagons must be strictly carried out.

If the Company is required to provide sawdust or tan for cattle trucks, a charge of per truck must be made, the same to be entered on the invoice as a paid on.

In booking Live Stock the following rules must be strictly adhered to:—

- I. The ticket must be written legibly and signed by or for the Clerk in charge.
- II. The number of each wagon must in all cases be distinctly stated, and entered in the proper column.
- III. The number and description of animals for which the ticket is issued must be correctly entered, and those charged for as half a wagon placed opposite the number of wagon in which loaded.
- IV. The signature of the Sender must be obtained upon the duplicate ticket, and the Clerk booking the stock must also sign it as witness to the same.
- V. As a general rule the charges for conveyance of Live Stock must not be received until the Stock is loaded; but if at any time it is found necessary to depart from this instruction, it must only be done after the Clerk has satisfied himself that there is a sufficient number of wagons on hand for conveyance of Stock expected.
- VI. Care must be taken that doors of wagons and vans are securely fastened before leaving the station at which loaded.
- VII. Every wagon containing Live Stock must be labelled on both sides with the name of the station whence it is despatched, and to which it is booked; the number of cattle, sheep, or other stock it contains; the name of the consignee; and also the words “carriage paid,” or “carriage to pay,” and the charges.
- VIII. A Cattle way-bill must be given to the Guard of the train by which wagons containing Live Stock are sent, to be left at the station where the wagons are detached.
- IX. Live Stock, when carried at per head rates, must be carefully counted in the wagons at the loading, and counted out of the wagons at the unloading station.
- X. When Live Stock is charged at per wagon rates the unloading station will check the number of wagons entered on the way-bill with those received, and see that the proper rates are charged, and that no greater number of animals are allowed for a half-wagon load, nor in a large and medium wagon charged at the small wagon rate, than is provided for in the Railway Clearing House classification book.
- XI. Should any discrepancies be found to exist, an undercharge invoice must be obtained in the usual way, failing which, a report of the circumstance must immediately be made to the Goods Manager.

- XII. If dealers take part of their Stock out of a wagon at any station between the place of booking and destination, the Stock so removed must be charged as though conveyed in a separate wagon.
- XIII. All Live Stock must be put together next to the brake, and in case any shunting is required at intermediate stations, the cattle on the train must be left with the brake until it arrives at its destination, and not shunted about with the remainder of the train.
- XIV. If rates are required to stations upon any other railway, which are not already provided for, special applications must be made to the Goods Manager for them.
- XV. It is imperative that Live Stock should not be booked to places where there is no direct train service; and when any Stock is received for such places, the sender must be informed that there is no through communication, and their instructions must be taken as to the point to which the Stock must be booked.
- XVI. Horses in droves conveyed in cattle wagons are subject to the conditions printed on the back of the Live Stock ticket.
- XVII. Cattle Dealers' or Drovers' passes.—Cattle dealers or drovers, and parties with horses in cattle wagons, in charge of, and accompanying their Stock, will be allowed to ride free, either in the brake van, or in a carriage attached to the train;

In charge of	1 to 3 wagons	...	...	1 man	free.
Do.	4 to 6	„	...	2 men	do.
Do.	7 to 14	„	...	3 do.	do.
Do.	15 to 20	„	...	4 do.	do.
Do.	21	„	and upwards	5 do.	do.

The only form of pass to be the endorsement of the Station Clerk written across the ticket, which is to be delivered up on the arrival of the Stock at their destination.

No pass to be granted unless the party in charge travel by the same train as the Stock.

- XVIII. The Clerk in charge will be held responsible for carrying the above instructions into effect, and seeing that they are strictly observed.

Note.—When there are two or more routes to competitive stations, the rates must be calculated upon the distance by the shortest route.

61. INWARD INVOICES, GOODS, &c.—All inward invoices, especially at large stations, should be registered immediately they are received, and the time marked upon them. A book is provided for this purpose, and when systematically kept is calculated to prevent the loss of invoices, and delay in disposing of goods. It is also invaluable as a check

upon the accounts. Even at the smaller stations warehousemen and checkers will be more likely to see that invoices are not carelessly thrown about, if they know they are registered before being placed in their hands, than if this were not done.

The time of arrival and unloading of goods should be marked on each invoice, and the articles examined, counted, or weighed, to see that they correspond with the particulars given. Any sign of pilferage, damage, or discrepancies in quantity, weight, &c., should be noted on the invoice, and initialled by the person who discovers the same.

Such cases are at once reported to the sending and transhipping stations. When goods are missing or appear to have been tampered with, and it has been ascertained that they were duly forwarded in proper condition, an advice is sent to the Company's Detective department so that further enquiries may be made.

This advice should give all information likely to be of service in tracing where the pilferage or loss took place, and reference to the correspondence should be marked on the invoice.

Particulars of goods received unentered are recorded in the checker's report book; the station at which the wagon was labelled being asked to send an invoice. If such goods are addressed, they are delivered either with an assumed charge, or "account to follow," as the circumstances require. It is the practice to send addressed tranship goods received without account, to their destination invoiced thus:—"In wagon..... ex.....without account;" or such other remark as may enable the destination station to obtain an invoice of charges.

Weekly advices of goods on hand without account, and of goods missing, are sent to the Goods Manager's department, where they are compared with similar returns from other stations, and such action taken as may be necessary.

Goods for transhipment are registered in the "Transfer" book, which shews full particulars of the goods, also the dates received and forwarded, where from and to, wagon numbers, &c. "Each transshipping station should show in legible characters, by stamp or otherwise upon the face of the invoice, the station at which, and the date on which goods are transferred, together with the marks and numbers of the wagons into which they are loaded" (*vide* regulations).

A memorandum is made in the Transfer book, and also upon the invoice, of any damage which tranship goods may appear to have sustained; and in the case of goods in a bad condition being handed over by another Railway Company or a Carting Agent, their attention should be directed thereto, and a note made on their delivery sheet when giving a signature.

After the invoices have been verified by the goods, the former are returned to the office to be checked as to rates and charges for carriage. Undercharges and overcharges are noted in the proper columns and dealt with as explained farther on, the correct amounts and other particulars being then entered for delivery as follows:—

62. Delivery of Goods.—The weights of *carted* goods are entered on the Carman's Delivery Sheets (Form No. 25, App.) as "general"; *not* carted, as "excepted." Additional charges for delivery of not carted and out-boundary goods are shewn on the sheets, and added to the invoice charges for carriage. The extra charges are also recorded in the cartage column of the invoice.

When the carriage is paid, or consignee has a Ledger account, this is stated on the delivery sheet.

Reference to the number of the sheet is given upon the invoices.

The total weight, and the charges to collect, also the "time out" (*i.e.*, the time the goods are delivered to the carman), and carman's name, are then entered in the

Cartage Register, in which his signature is obtained before the goods are taken away.

When goods are addressed "paid," but invoiced "to pay," and the charges cannot be collected from the consignee, the amount is re-charged to the sending station, which is bound to accept the debit, provided the address card on which the word "paid" is marked, is returned with the re-charge invoice.

When the deliveries have been completed, the sheets are examined as to signatures, and the amount of cash collected, or "to collect in porters'," together with the time the sheets are returned, is entered in the columns provided for this purpose in the Cartage Register. (See "Porters' Cash Book.")

The completed sheets, which are type numbered, are then fastened in skeleton guard books for reference.

Duplicate delivery sheets, printed in red ink, are used for goods received without account; also for the re-entry of items not cleared before the cash settlement is made with the carmen at the close of each day or journey.

Advices of the arrival of not carted or out-boundary goods are sent to the consignees when other arrangements have not been made. Printed advice notes are used, and when these are delivered by the Company's messenger, the consignee's acknowledgment is taken.

When goods of a dangerous nature are received, a special advice note is sent, requesting their immediate removal.

All goods carted away by consignees are entered and signed for in the Warehouse books. (See farther on.)

When goods "to await order" are received at stations where there is a large traffic, or are likely to remain on hand for more than a week, they are entered in the

Warehouse "Stock Book" (Form No. 26, App.). The stock is checked every week, and carried forward to a new account monthly. Charges for wharf or warehouse rent are entered in the columns provided for these items.

Inward grain is signed for in the **Grain Warehouse Book**. (Form No. 27, App.)

In the event of consignee refusing to receive goods invoiced to him, the regulations provide that "such goods shall in no case be returned to sending station until instructions have been obtained from sender, who must be immediately advised of the refusal; if consignee tenders a consignment and orders the goods to be returned or otherwise disposed of, he must be told that, before such consignment can be accepted, he must pay the carriage and sign the delivery sheet."

Subject to this rule, and to the Goods Manager's instructions in each case, refused and unclaimed goods (except perishables, which are usually sold at the stations) are sent to the Company's lost property department, where a Register is kept, and progressive numbers affixed to all goods received, for the purpose of identification.

Periodical sales of such goods are held, and the proceeds are paid to the Secretary of the Company.

63. Ropes.—Ropes for securing goods are obtained from the Rope Dépôt. Each rope has a metallic ferrule fixed upon it, stamped with a number and the initials of the owning Company.

With the view of preventing the loss of ropes, each carries a debit of 10s. That is to say, when a rope is sent from the Dépôt to a station, it is entered on an ordinary goods invoice, paid on 10s., and to pay 10s., to the debit of that station; which, when the rope is sent forward, clears the inward debit by a paid on and to pay entry for 10s. on the invoice of the goods it secures; and so on, from station to station, until the rope reaches a station that has no use for it, or needs repairs, when it is addressed and returned, paid on, to pay 10s., to the Dépôt.

When ropes are sent to foreign stations, they are invoiced in the same way as to local stations; and when foreign Companies' ropes (which likewise carry a debit of 10s., and have

distinctive marks and numbers) are received, it is important that they be legibly addressed and returned to the station from which they were received, within fourteen days from the date of the invoices on which they were entered, the debits being re-charged.

The mark and number on the ferrule should in all cases be given on the invoice; also reference to the date and number of the invoice on which ropes returned were originally entered.

If a station omits to return and re-invoice a foreign rope within the time named, it forfeits the privilege of re-invoicing for the full amount, and may re-charge 5s. only; the loss in such cases being reported to the Goods Manager, whose authority is necessary to clear the balance of the debit.

Foreign ropes received without invoice should be returned without delay, with a free invoice, to some station on the parent line, so that when a moneyed invoice is received the debit may be re-charged by referring to such free invoice.

To enable the Goods Manager to trace missing ropes, he is furnished by each station with a monthly return of ropes invoiced but not received, or received without account.

Ropes not received back from foreign stations within fourteen days should also be entered in this return, with a remark as to the action that has been taken, and stating whether they were afterwards received, and, if invoiced, with what debit.

GOODS ACCOUNTS.

64. The accounts of the Goods Department are divided, for the purposes of cash collection, into two sections, viz:—

“**Porters**” and “**Ledger**” Accounts. The former indicate

ready money transactions, the Company's charges being expected to be paid either at the time of collection, or on delivery of the goods. The latter indicate *credit* transactions, for which accounts are opened in the Company's Ledgers in the Accountant's office, these accounts being payable monthly.

Persons wishing to have a Monthly Ledger Account are required to fill up a form of application stating the probable average amount of the account per month, Christian and surname and address of each partner in the firm, trade or profession, business address, and the names of the stations at which credit accounts are desired. Applicants are also requested, unless they are well known, to give a Banker's reference, and to signify by the customary signature of the Firm, their assent to the Company's conditions on which monthly credit accounts are opened. These conditions are:—

- I.—All goods, minerals, and other articles and things must be properly described or declared, the correct weight given, and the nature and contents of the packages stated at the time of delivery to the Company or their Agent.
- II.—A Delivery note must in every case be tendered to the Company therewith.
- III.—The Company's Ledger Accounts are made up monthly, and they must be paid in full before the close of the month following that for which the account is rendered; any errors, &c., if pointed out in due course, to be allowed in a subsequent month's account.
- IV.—Due and proper attention will be given by the Company to all complaints and claims, provided they are made in writing to the Goods Manager, within three days after delivery of the goods, minerals, and other articles and things; and if, on examination, the claims for damages and losses are found correct, the amounts ascertained to be due will be at once paid.
- V.—Credit will only be given to parties having accounts open in the Company's Ledger Account; fresh application, on a proper form, must be made for credit at any other stations.
- VI.—All moneys which the Company may pay, or become liable to pay to other Railway Companies, or Carriers, or other persons for the conveyance of, or charges upon goods, minerals, or other articles and things received by the Company for conveyance to, or to the order of the party having an account open in their Ledger, shall be considered as a debt due from such party to the Company, and shall be recoverable by them from such party accordingly.
- VII.—Should the account not be paid in accordance with the above conditions, the Company to have the right at any time to detain any goods, minerals, and

RAILWAY. PORTERS' LEDGER.

(Left Hand Page).

Date, 19	Invoice No.	From	To	Name.	Destination.	Species.	Weight.			Paid On.	Rate.	Balance Brought Forward.			Transfers from other Accounts.			Name.
							T.	C.	Q. lbs.			£	s.	d.	£	s.	d.	
June 30th				Total Porters' Ledger														(a)
				" Warehouse Book.....														(b)
				" Delivery Sheet Register ..														(c)
				" Extras (in detail)														(d)
				" Porters' o/s Book (if any) ..								192	17	10				(e)
				Grand Total..... As per month hly Porters' Ledger Summary								192	17	10				(f)

(Right Hand Page.)

Current Month's Account.				Extras.		Dr. Total.		Cr. Receipts, Date, and Amount in Cash.		Local Allowances.		Past Foreign Overchgs.		Recharges.		Transfers to other Accounts.		Balance Carried forward.		Why Outstanding.	
In.		Out.		£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£		s.	d.
(a)				32	8	3															
(b)	135	19	10				32	8	3	23	10	4				1	2	6	4	14	1
(c)	230	17	4				135	19	10	44	13	2				35	0	0	55	14	2
(d)										240	1	10									
(e)							9	4	6	14	8	3									
							14	8	3	42	11	10				22	10	6	111	17	9
(f)	366	17	2	32	8	3	23	12	9	365	5	5				58	13	0	172	6	0
													</								

Carry forward
in detail to
Porters' o/s
Book.

other articles and things belonging to the debtor in their possession, by way of lien, to secure the general balance owing to them ; and also to sell such goods, minerals, and other articles and things, and also to detain and sell all wagons belonging to the debtor ; and to apply the proceeds in or towards the liquidation of the debt then due to the Company ; provided nevertheless that in case any person with whom a credit account has been opened shall become bankrupt, or suspend payment, or make an assignment for the benefit of his creditors, or execute a Deed of Composition with his creditors, then the Company shall have the right to detain and sell such goods or wagons by way of lien, and apply the proceeds thereof as aforesaid, notwithstanding that the usual month's credit has not expired, or that the account for the preceding month has not been rendered.

The forms of application are sent to the General Manager, who determines each case, and issues the necessary instructions.

We shall first explain how **Porters' Accounts** are kept.

65. PORTERS' LEDGER.—In this book are entered, each month, all Porters' accounts (but *not* Ledger accounts) that affect the station's debit.

When made up, it shows the month's total of outward paid and inward to pay items (plus undercharges and minus overcharges), porters' extras, and previous month's omissions, which, with the preceding month's outstandings brought forward, constitute the *debit* ; also cash received, local allowances, past foreign overcharges, re-charges, and transfers to other accounts, which make up the *credit* ; the difference, or excess of debits over credits, representing outstandings, to be carried forward in detail to the next month's account.

"Outward paid" items are entered seriatim according to the printed headings, from the tissue copies of the invoices, and the counterparts of cattle tickets, daily. At some stations a few pages of the Porters' Ledger are appropriated at the beginning of each month to foreign traffic, local being also entered separately. In other cases separate books are used. This facilitates the balancing of the outward foreign and local abstracts.

A summary of totals only of inward to pay items is made in the Porters' Ledger at the end of each month, the amounts being copied from the Warehouse Book (70), and Delivery Sheet, or Cartage Register (62), which contain the details.

Extras, for cartages, entered as "additional charges" in the delivery sheets and cartage register, are carried in total to the extras column of the Porters' Ledger; other items being usually copied in detail from the extras book and shewn at the foot of the ordinary entries. The month's total of the extras column of the Porters' Ledger should agree with the total of the "Porters'" column of the Extras Book.

The credits for cash received are posted up from the Porters Cash Book, with which the month's total of the Porters' Ledger, including the totals of the Warehouse Book, Cartage Register, and Extras should correspond.

We will describe the use of the columns for Local allowances, Past foreign overcharges, Re-charges, and Transfers to other parties, separately.

66. Local Allowances.—When invoices of goods not received, or duplicate invoices, have been taken to debit and require clearing, or an overcharge has been discovered in a *past month's* outstanding item, or rebates are allowed on goods invoiced at rates which include cartage, but which have been carted by senders or consignees; or when, for any other reason, any portion or the whole of a local (*not foreign*) debit requires writing off, credit is allowed by a "Local Allowance" entry on the credit side of the Porters' Ledger or Warehouse Book.

The particulars of every item and the nature of the allowance or overcharge for which credit is taken in this way, are required to be fully set forth in a Local Allowance voucher (Form No. 28, App.), which is attached to the Daily Advice of Collection (78), and sent, together with a copy of the

invoice, and the original correspondence noting the overcharge, or authorising the allowance, to the Accountant.

If the allowance be a deduction from a *Ledger* account, the signature of the party concerned is obtained to the form of acknowledgment at the foot of the voucher. If it be a porters' item the fact is stated in the place for the signature.

67. Past Foreign Overcharges.—This voucher, similar to Form No. 28, App., stands in the same relation to past month's *foreign items*, as the local allowance voucher does to *local*: and the clearances are effected, so far as the station is concerned, in a similar way. The only difference is that foreign items are extended into the past foreign overcharge column of the Porters' Ledger or Warehouse Book, and a foreign Overcharge Sheet (Form No. 36, App.) is required to be filled up, certified by the sending station, and attached to the voucher; these documents being then sent, with the daily advice of collection, as in the case of local allowances, to the Accountant.

68. Re-charges.—If the payment of an inward to pay item be disputed by consignee and cleared by re-charge, "paid on" and "to pay," to the debit of sending station; or if outward goods be erroneously invoiced "paid" instead of "to pay," and afterwards re-charged to the debit of destination station, the items so cleared are entered in the re-charge column.

Re-charges to foreign stations are entered on ordinary invoices and to local stations, on "Local Transfer" forms (No. 29, App.). Before sending a re-charge invoice or transfer, however, it is necessary for the Clerk in charge at the station requiring credit, to ascertain whether the Agent at the station he proposes to debit can collect the amount, and to obtain his authority for the re-charge, except when returned empties are invoiced "to pay" without previous arrangement, or goods are addressed "paid," and the label is attached to the re-charge invoice.

The particulars of, and reference to, the original entry, and the name of the party from whom the money is to be collected, is stated on the face of the re-charge invoice or local transfer; but the *weight* should not be entered on foreign re-charge invoices, because, if abstracted, the terminal Companies might be credited with double terminal allowances by the Clearing House.

69. *Transfers to other Accounts.*—This column is intended for Porters' items transferred to the debit of persons who have Ledger accounts with the Company. If, for example, an item had been treated as "Porters'," and entered in the Porters' Ledger, and it was afterwards found that the party had a monthly account, the Porters' Ledger would be cleared by an entry in this column, and by posting to the account of the party to be debited. This column is also occasionally used when persons pay accounts direct to the Secretary of the Company. In such cases the station requiring credit is advised by the Accountant, and the remark "Cash paid Secretary" is made against the credit entry in the Porters' Ledger.

The converse column, "Transfers *from* other Accounts," is used when Ledger accounts are transferred to "Porters'."

The following regulations respecting the use of these columns should be carefully observed:—

"Accounts must not, under any circumstances, be transferred from Ledger accounts to Porter's Ledger, except in cases where the items have been posted to Ledger accounts in error, and the cash has to be collected through Porter's accounts; nor from Porters' to 'Ledger,' excepting where amounts have been erroneously entered to 'Porters',' and have to be collected through Ledger accounts.

"Under no circumstances must an account be transferred to Porters' Ledger for the purpose of being re-posted to the same or any other Ledger account.

"In cases where persons object to sign 'L.A.' or 'P.F.O.' vouchers, amounts must not be transferred from Ledger to Porters for the purpose of treating them as Porters' allowances, but the 'L.A.' or 'P.F.O.' vouchers, must be sent to the chief offices with a full explanation why signature has not been obtained.

"In cases where traders insist upon having amounts which have been previously erased by them re-entered in their accounts, this must be done by adding the items

in red ink at the foot of the account after the debit list total has been made, and also in red ink on the debit list immediately over the total amount of the account, the amounts so added not being included in the current month's total of account on debit list, nor in the grand total of the debit; the red ink entry on debit list being for Accountant's use only.

“Ledger Collectors must not make entries in Porters' Ledger. Transfers to Porters' must be made only with the direct sanction and authority of the Agent or Clerk of accounts.

“A monthly detailed list of all transfers made through the ‘other parties’ column must be sent to the Accountant with the monthly accounts, and made out in the following order:—1st—All transfers from Ledger to Porters'. 2nd—All transfers, Porters' to Ledger. Full particulars of each entry must be given, with the reason why the transfer has been made.

“Instructions to Collectors.

“A return must be sent to the Accountant with the monthly accounts, and must contain a list of Re-charges and Transfers, the total to agree with the amount taken credit for on the General Ledger Summary.”

70. Warehouse Book.—In this book are entered, day by day, all the current month's inward to pay Porters' items in respect of goods, grain, cattle, &c., taken away from the station by consignees, whose signatures are obtained, except for grain (which are taken in the Grain Warehouse Book), in the column “by whom received.”

In the Warehouse Book are also recorded any disputed or other inward to pay items that are not collected at the time goods are delivered, or before the delivery sheets are returned to the office. These uncollected items are extended, as we have seen, to the column in the Cartage Register “To collect in Porters'”; the monthly totals only of the collected amounts being carried to the Porters' Ledger.

As the delivery sheets containing the details are carefully preserved, this saves considerable labour; but it is of course essential that they as well as the cartage register, which forms an important part of the accounts, should be correctly written up, and the totals balanced across; otherwise it might prove very difficult to balance the abstracts at the end of the month.

At some stations the invoices are checked with the delivery sheets and Warehouse Book daily.

At stations where the number of entries is comparatively small, *all* inward to pay porters' items (except ropes) are entered in detail in the Warehouse Book, whether the goods be carted or not carted by the Company, or the money be collected or not collected at the time of delivery. The Cartage Register is useful in such cases mainly as a record of weights, and of the return of the delivery sheets to the office.

At the end of the month the totals of the Warehouse Book are balanced across, and carried to the Porters' Ledger; *all* outstandings being carried forward in detail to the following month in the latter book (except where a Porters' Outstandings Book is kept), and so on from month to month until they are cleared.

Inward to pay debits for ropes are entered in the Rope Ledger, and *not* in the Warehouse Book or Porters' Ledger. (See Rope Ledger.)

As inward invoices are entered in the delivery sheets or Warehouse Book, the folio or progressive number is marked upon them, the amount entered being also inserted in the column for "Porters'."

The same is done in the tissue copy books when entering outward paid items in the Porters' Ledger.

71. Porters' Outstandings Book.—This is kept only at stations where the outstandings are very numerous. When it is used, each month's current outstandings are drafted from the Warehouse Book and Porters' Ledger, and the necessity for carrying forward the items in the latter, except in total, is thus obviated. The objects of the Porters' Outstandings Book, which has several sets of money columns in each opening, are chiefly to save the trouble of re-copying the invoice particulars of amounts carried forward month by month, and to give clerks

____ RAILWAY.
PORTERS' OUTSTANDINGS BOOK.

[illegible]

* TOTAL, carried to Porters' Ledger.

† There are three extra sets of Money Columns to the right of these, so that the book serves for four months' outstandings without the necessity of carrying details forward during that period. A column is also provided for remarks as to "why outstanding."

whose duty is to look after outstanding items, better control over their work.

72. Extras Book.—All items, whether Porters' or Ledger, collected from the Public, or accruing to the Company in respect of traffic for which there is not an invoice debit in the current month, are entered in this book and accounted for as "Extras," better known by some Companies as "Special Debits."

Additional charges for cartages, entered in the delivery sheets; also warehouse rent, as per Stock Book (No. 26, App.); wagon demurrage, as per weekly returns sent to the Goods Manager; manure and other sales; sack demurrage, as per monthly inward sack abstracts; and various other items, come under the category of "extras," or "special debits."

It has been explained that for charges made in addition to the rate in respect of *outward* traffic, for services rendered, &c. (excepting insurance), debits are raised by entries *on the outward invoices*, and are shewn as "paid on," and "paid," or "to pay," as the case may be, whether such charges are paid by sender or consignee. These charges do *not* appear in the Extras Book, because they are abstracted by the sending and receiving stations as ordinary traffic; the "paid ons" being treated by the sending station as "not paid." (See "Paid ons Book.")

Particulars of items to be taken to debit as "extras" should be entered in the Extras Book immediately the charges have been incurred, and extended into the columns to which they belong. Thus, separate columns are provided for Rope extras, Agents' extras, and Sack demurrage; while all items to be carried to the Porters' Ledger are entered as "Porters' Accounts," and monthly accounts as "Ledger Accounts"; the name of the person to be debited being given, in the latter case, in the margin.

Extras for sales of stable manure, and goods compensation sales (*i.e.*, for damaged goods, &c., refused by consignees, and sold by authority of the Goods Manager), are also distinguished from the rest, the month's totals thereof being entered separately in the monthly debit list, and not included with the ordinary Porters' debit. (See examples.)

When manure or goods have been sold, two advices signed by the Agent, giving full particulars of the sale, amount realised, name and address of purchaser, also reference to the Goods Manager's authority for the sale, are sent—one to the Accountant, the other to the Goods Manager.

The Agents are held responsible for the collection of the proceeds of such sales, which are paid to Bank with the ordinary receipts.

For further particulars respecting rope extras, agents' extras, and sack demurrage, see "Rope Ledger," "Carting Agents' and Carriers' Accounts," and "Sacks."

The Extras Book is added up and ruled off monthly.

73. Rope Ledger.—This book contains a record of the debits and credits for ropes, these not being included in the Porters' accounts. The debits are written up from the inward invoices and the credits from the outward, as the ropes are sent away and re-charged to other stations. If ropes are missing or lost, the debits are cleared by local allowance or past foreign overcharge, for which the necessary authority must be obtained from the Goods Manager. The book is ruled off at the end of every month, and the outstandings, representing ropes on hand, are carried to the following month's account.

When "local" ropes are on hand without account, and it is not known from what station they were received, debits are raised through "extras," and re-charged in the usual way when used.

74.

PORTERS' CASH BOOK.

Date. 19	Pro. No.	Name.	Station.	Folio.	Collected from Public.	Collected from Clerks.	Total.	Cashier's Signature.
June 30th		Total for	Month	.....			£ 365 5 5	*

* As per Porters' Ledger.

It is very important that all Porters' items, extra charges, &c., collected on both inward and outward traffic, be entered, as soon as received by the Cashier, in the Cash Book. A receipt should not be given by him until a proper note of the item has been made.

When two or more items outstanding against a person are paid at the same time, separate entries should be made in the Cash Book, so that the proper debits may be cleared in the Porters' Ledger. It is not, however, necessary to enter separately all the items shewn in the delivery sheets, the totals only of the collected cash represented by these being entered, with references to the sheets, in the Cash Book. These entries should agree with those in the cash column of the Cartage Register.

The columns "collected from public," and "collected from clerks," are not much used for the purposes indicated by the headings. The general practice is to enter all amounts collected on inward traffic in the first column, and outward paid items in the second. This plan is a good one, as it affords a readier clue to the debit entries in the Warehouse Book, Porters' Ledger, or Porters' Outstandings Book, and consequently the posting of the cash into these books may be more quickly and accurately done.

At places where two or more clerks are appointed to receive payment of accounts, it is necessary to use petty, or sub-cash

books. At the close of each day the entries in these books are transferred to the general Cash Book, and the cash is handed to the Chief Cashier of the station, by whom it is paid, *less* paid on as shewn by his Daily Advice of Collection, to the Coaching department to be remitted to Bank.

The cash is posted daily into the Porters' Ledger, Warehouse Book, and, where it is used, Porters' Outstandings Book, the totals being balanced monthly.

75. Receipts for Money.—Adhesive forms of receipt, stamped and unstamped, are supplied in books by the Accountant. These have perforated counterparts, are type numbered consecutively, and are entrusted only to clerks whose fidelity is guaranteed. It is the duty of the Chief Clerk, or Cashier, at each station, to examine the receipt books daily, and to check the counterfoils with the Cash Book; and in the case of Ledger accounts, with the Daily Advice of Collection sent to the Accountant.

When a receipt book has been filled up, the Clerk in charge is required to certify at the end thereof that the entries on all the counterfoils have been duly accounted for, and to return the book to the Accountant.

When senders or consignees of goods collected or delivered by the Company's draymen (who are not permitted to have possession of the receipt books) pay to them the charges for carriage, and require receipts at the time, bill heads, or carriage notes, shewing particulars of goods and charges, are supplied for the purpose.

76. Cash Refunds.—When moneys for carriage have been collected and remitted to Bank, and an overcharge in connection therewith is afterwards discovered; or when it is found that the charges collected were entered "paid" on an inward invoice, or "to pay" on an outward invoice, a form of application (Form No. 30, App.) for authority to refund the

amount is filled up. This is sent, with all papers and correspondence respecting the overcharge attached:—to the Goods Manager, if it be an overcharge in the weight or rate; or to the Accountant, if it be an error in collection.

Authority to deduct the amount from a subsequent day's cash receipts is then sent to the station by the Goods Manager or Accountant, with instructions to repay it, take a receipt, re-charge the amount by invoice to the debit of the Accountant, and to attach the receipt and authority for the refund to the re-charge invoice.

It is necessary to raise debits in "extras" for amounts overcharged in the collection of cash.

77. Claims.—All claims in respect of lost or damaged goods are submitted to the Goods Manager on a form shewing the following particulars, and to which all correspondence on the subject, also copies of invoices, are attached.

	_____ Station,
	_____ 19 .
Claim, No. _____.	
Name of Claimant _____	
Date _____	Amount of claim £ : : .
For _____	
Entered per Invoice No. _____	Dated _____
From _____	To _____ In truck _____
Goods with _____	
Station remarks _____	

When the Manager authorises the station to settle the claim, the amount paid is stopped from the day's traffic receipts, and re-charged to the Accountant, paid on and to pay, on an ordinary invoice, with the original claim, Manager's authority, and claimant's receipt annexed thereto.

A Claims Register is kept at the principal stations shewing the progressive number, date, particulars, and amount of each claim; also the date submitted to the Manager, whether paid or declined, and if paid, the date and amount, reference to invoices, correspondence, &c.

78. Daily Advice of Collection (Form No. 31, App.).—

This is made up daily, press copied, and despatched to the Accountant by the first train on the day following that to which it refers. It shews in the "paid" column the day's total of Porters' cash received as per Porters' Cash Book; the amount deducted therefrom for paid ons, including refunds and amounts paid in settlement of claims, and the net amount paid to the Coaching department for transmission to Bank.

The advice also sets forth all other items, such as local allowances, past foreign overcharges, &c., placed to the credit of Porters' accounts in the Porters' Ledger, Outstandings Book, Warehouse Book, or Rope Ledger, each day; rope allowances and rope re-charges are shewn in the advice, however, *in red ink*, these being treated as "Ledger," and not as "Porters'," items. Proper vouchers for allowances, local and foreign, should be attached to the advices, otherwise these credit items are not passed by the Accountant.

The receipts for cash refunds and paid claims are, as stated above, attached to the re-charge invoices.

The names of parties debited with amounts entered as "Transfers to other accounts," should be noted in the margin of the advice; and when cash has been paid by customers direct to the Secretary, reference to the Accountant's notification thereof and authority to clear, should be given.

Cash paid to Bank and other credits on account of demurrage on inward sacks, manure sales, and goods compensation sales,

not being included in the Porters' Ledger debit, are entered separately on the daily advices of collection *in red ink*, for the guidance of the Accountant's department in dealing with these items. (See "Debit List.")

The month's totals of the cash and credits (exclusive of the red ink entries), entered in the daily advices, must agree with the totals of the Cash Book and Porters' Ledger; and if it is found in testing the totals at the end of the month, that an allowance, re-charge, or other item, has been omitted, a "supplementary" advice should be at once sent to the Accountant.

The cash deductions for paid ons are agreed with the "paid by Paid ons Clerk" column in the Paid ons Book.

The Paid ons Clerk, or Goods Agent, certifies by his signature on the daily advices the correctness of the amounts entered therein for paid ons. The Station Master, or Booking Clerk, whose duty is to remit the cash, also certifies by *his* signature the *net* amount handed to the Coaching department for payment to Bank.

79. Paid ons Book.—This book contains an analysis or classification of the amount for which credit is taken in the outward abstracts. In other words, every item that appears in the paid on columns of outward invoices, abstracts, and summaries, must also appear, with its particulars, in the Paid ons Book.

These items are divided into four classes, viz.:—(1) paid ons not paid; (2) paid ons by agents; (3) re-charges and transfers; (4) paid by Paid ons Clerk.

The nature of "*paid ons not paid*" having been explained, it is only necessary here to quote the Accountant's instructions, issued with each Paid ons Book, as to the division of these items when making up that book, and monthly summary of paid ons.

“Paid ons not paid.”

- No. 1 Column.—Enter the charges made for cartage, labourage, timber loading, grain shooting, or any other *services rendered* by the Company, for which a charge is made in addition to the rate.
- No. 2 Column.—Enter the charges made for the hire of meat cloths, hampers, grain strings, or any other things *supplied* by the Company, for which a charge has to be made.
- No. 3 Column.—Enter the charges made for warehousing, wharfage, junction, and other dues accruing to the Company.
- No. 4 Column.—Enter the charges made for sack hire, risk, and two and four days' demurrage, *i.e.*, demurrage on sacks had out to fill, but detained beyond the time allowed. (See “Sacks.”)

It will be observed that the foregoing paid ons, being “*not paid*,” do not affect the cash debit, and beyond the entries in the Paid ons Book and monthly abstracts and summaries, do not require to be further dealt with by stations.

“*Paid ons by Agents*” consist of items entered as paid on to reimburse to carting agents or carriers, such as Pickford & Co., and Chaplin & Horne, moneys paid out by them on goods, &c., handed to the Company for forward transit, and chargeable to consignees. These paid ons are not paid to the carting agents at the stations, but are shewn separately in one of the vacant columns in the Paid ons Book (a column being usually appropriated for each Agent), also on the Monthly Paid on Summary, and are held to credit at the Accountant's office in account with the parties concerned. (See “Carting Agents' and Carriers' Accounts.”)

“*Re-charges and Transfers*” consist of (1) Rope re-charges, which should agree with the re-charge column on the credit side of the Rope Ledger; (2) Porters' re-charges and transfers, to correspond with the re-charge columns of the Porters' Ledger and Warehouse Book; and (3) Ledger re-charges, for an explanation of which see “Ledger Accounts.” Sack re-charges and transfers are also entered separately in one of the spare columns.

"Paid by Paid ons Clerk."—This represents cash actually stopped from the traffic receipts and paid out, as shewn by the daily advices of collection. For every amount entered in this column, therefore, a receipt must be obtained either in the Paid ons Book or on a voucher, as under :—

_____ RAILWAY.	PAID ON VOUCHER.
_____ Station, _____ 19 .	
Received of the _____ Railway Company, the sum of _____	
Pounds, _____	Shillings, _____ Pence, for amount charged on
_____ consigned to	
_____ as per Invoice	
No. _____ to _____ Station, dated _____ 19 .	
£ :	Received by _____

NOTICE.—This form is not to be used except when a Signature cannot be obtained in the Paid ons Book.

The receipts taken in the Paid ons Book are examined by the Accountant's Inspectors who visit the stations, and all vouchers not sent with re-charge invoices to the Accountant are required to be handed to them.

The Paid ons Book is added up and ruled off at the end of every month.

80. LEDGER ACCOUNTS.—All inward to pay and outward paid invoices of goods to or from persons who have a monthly account, are posted direct from the invoices to the bills to be sent out to customers in the following way:—

At the commencement of each month, two Bill-heads for each firm—one for inward, and the other for outward traffic—are marked with the name and postal address. (Form No. 32, App.) These forms are then arranged in alphabetical order, and numbered consecutively—inward and outward separately.

As the items are "posted," the number of the account is marked upon the invoice, and the amounts extended to the

column provided in the latter for this purpose. When all the invoices for the month have been thus dealt with, the accounts are added up, and, after their accuracy has been proved, are ruled off, the total of each person's outward account being added to that of the inward. (See "Debit List" and "Balancing.")

The accounts are then press copied, entered in the Debit List as hereafter shewn, and sent with the monthly returns, to the Accountant, by whom they are examined, recorded, and sent to customers.

To facilitate the collection of Ledger accounts, which are due before the close of the month following that for which they are rendered, the stations are grouped into districts, and a Collector appointed to each district.

The collectors are advised by the Accountant of the respective amounts of the bills sent out for them to collect, except at large stations, where this information is obtained by the collectors themselves from the tissue copies of the Debit Lists.

The only account books required by the collectors are a Cash Book and a Ledger. (See next page.)

In the latter should be kept a true record of the state of each person's account, so as to shew, at the close of every month, the amount of the gross debit for that month, as advised by the Accountant or ascertained from the Debit Lists, also the amounts collected, re-charged or allowed, and the balance outstanding.

As the accounts are collected, the items are entered on a Daily Advice of Collection, and paid to the Coaching department for Bank; the advices being press copied and sent to the Accountant, as in the case of Porters' Accounts.

All Ledger accounts are required to be paid in full; any overcharges, allowances, &c., being credited in a subsequent

month's account, and shewn opposite the respective parties' names in the Advices of Collection.

Credits for amounts re-charged to other stations are entered in the ledger re-charge column of the Paid ons Book; and the station debited deals with the item as an ordinary entry, as explained above.

81. Bad Debts.—When there is probability of a debt becoming bad, the circumstances should be reported to the General Manager, so that in the case of foreign traffic the Railway Clearing House may be advised, and any loss apportioned between the Companies interested.

82. Undercharges, whether in weight, rate, calculation, or addition, are noted on the invoices or tissue copies, and entered in the Undercharge Register, whether the debit of the station that discovers them is affected thereby or not. Two Registers are provided for this purpose, one for inward, and the other for outward, undercharges. (Form No. 33, App.)

Goods received or forwarded without account, or invoiced "charges to follow," should also be noted in these registers, and marked off when invoices of charges, or, in the former case, undercharge invoices, have been received.

If the undercharge is an inward item, sending station is requested to make out an additional invoice, "paid," or "to pay," as the case may be. The regulations state that such undercharge invoice must not contain any entries of other goods; but must give reference to the original invoice, and contain no entry of weight, except when the weight was understated in the original invoice, in which case the difference between the weight originally entered and the actual weight must appear in the weight column of the undercharge invoice. Corrections of undercharges in weight are required to be made upon the same invoice as undercharges in money, when both relate to items entered upon the same original invoice; and when undercharges

RAILWAY.

A LIST OF UNDERCHARGES at Station for June, 19--- *Twice taken to Account, and the Extra Charge cleared by Posting to the Debit of the ACCOUNTANT.*

UNDERCHARGE INVOICE.		From	To	Consignee.	ORIGINAL INVOICE.		Amount of Undercharge.		
Date.	No.				Date.	No.	£	s.	d.
June 1	$\frac{92}{47}$	A.	B.	H. A. & Co. and so on.	May 16	$\frac{90}{536}$			3
				Total Outwards				10	2
June 1	$\frac{650}{1}$	H.	A.	Jones and so on.	May 10	$\frac{59}{16}$		6	11
				Total Inwards			2	17	5
				" Outwards				10	2
				Total as per Debit List		£	3	7	7

in weight are committed without there being any error in money upon the same invoice, the corrections are invoiced separately. If the sending station first discovers the undercharge, it should at once send a supplementary invoice, if the charges in the original invoice were made "paid"; but if "to pay," it is necessary to first obtain permission to do so from the receiving station. If such permission is not given within seven days of the error being pointed out, or a sending station refuses to invoice an undercharge pointed out by a receiving station, the matter should be reported to the Goods Manager.

If the undercharge occurs in an inward to pay, or outward paid item, the correct amount should be entered and collected.

All inward to pay or outward paid undercharges are scheduled on forms Nos. 34 and 34a respectively (a separate form being used for each pair of stations), and taken to debit by a special entry in the Monthly Summary of Totals, whether undercharge invoices have been received or not.

The undercharge invoices, when received, are abstracted in the ordinary way, and the extra, or undercharge invoice debits are cleared by posting to the debit of the Accountant. (See example.)

Undercharge sheets are not sent to the Clearing House for foreign undercharges, the other Companies' proportions of the amounts short charged being secured to them by the terminal stations abstracting the undercharge invoices in the usual way. This, however, in no way interferes with the rule that *all* undercharges, foreign as well as local, must be taken to debit by stations in the manner indicated above, as soon as they are discovered.

83. Overcharges.—All inward to pay or outward paid *current month's* overcharges are noted on the invoices, or, if outward, on the tissue copies, the correct amounts being entered

in the Delivery Sheets, Warehouse Book, or Porters' Ledger, and collected, as in the case of undercharges.

The *original*, or invoice amounts, are abstracted, and the overcharges cleared by entering them on overcharge sheets, and making a corresponding deduction from the debit in the Monthly Summary of Totals.

If an overcharge is not discovered until after an inward to pay or outward paid item has been collected and paid to Bank, it is necessary to obtain the Goods Manager's or Accountant's authority to refund the excess, as before explained. (See Cash Refunds, No. 76.)

When a station discovers an overcharge in local items, it is essential to get the other station concerned to note the discrepancy; and that station whose debit is affected should give a reference to the correspondence in the overcharge sheet. But if the overcharge is in a foreign item, the overcharge sheet itself is sent to the other Company's station to be certified, before being sent to the Audit Office.

It will be observed that stations do not make returns to the Accountant of under or over-charges which do not affect their debit; therefore, in the case of inward paid overcharges, the receiving station should, when certifying the forwarding stations' overcharge sheets (which are sent to the stations for this purpose by the Accountant), make a note on the invoice in which the error occurs, that a certificate has been given, and thus prevent the possibility of the overcharge being allowed a second time. The same remark applies also to outward to pay overcharges. A note should be made on the tissue copies of the invoices by the sending station at the time the receiving station's overcharge sheets are vouched.

Local outward paid overcharges are entered on form No. 35, App.

Foreign	do.	do.	do.	36, „
Local inward to pay		do.	do.	35a, „
Foreign	do.	do.	do.	36a, „

Foreign under or over-charge sheets should not contain any entries except those which result from the correction or alteration of invoices. Any other amounts, such as special cartages, commissions, drawbacks, boatages, &c., &c., which have to be divided between two or more Companies, are entered on a special form.

It should always be borne in mind that no alteration or erasure of the figures of goods invoices is allowed, corrections being in all cases made in the manner described above.

MONTHLY GOODS AND LIVE STOCK RETURNS.

84. Stations are required as in the case of Coaching, to furnish the Accountant at the commencement of every month, with returns of all Goods and Live Stock traffic invoiced inwardly or outwardly during the previous month; and to bring together those portions of the charges that constitute the *debit*. They have also to state the amount of the *credit*, consisting of cash collected, allowances, recharges, and transfers; the balance outstanding being carried to the debit of the account of the current month.

Briefly, these returns are:—

- I. **Goods and Live Stock Traffic Abstracts** : made up from the invoices and cattle tickets.
- II. **Goods and Live Stock Summaries** : made up from the abstracts.
- III. **Local Transfer (or Recharge) Summaries** : made up from the local transfers.

IV. Undercharge and Overcharge Summaries: made up from the undercharge and overcharge sheets.

V. Account of previous month's Omissions , &c.

VI. Advice of Totals: shewing the gross debit for inward to pay, outward paid, and extras; and the credit for outward paid ons. This is made up from II., III., IV., V., and Extras Book.

VII. Debit List: shewing how the gross debits, as per No. VI., are distributed for collection, viz.:—how much thereof has been posted to the debit of Porters' accounts, how much to the debit of Ledger accounts, and how much to the debit of Special accounts.

VIII. Three Balance Sheets, viz.:—

(1) *Porters' Ledger Summary:* made up from the Porters' Ledger, and shewing (a) debit balance from previous month; (b) debit in Porters' for current month, as per debit list; (c) cash and other credits; (d) balance outstanding carried forward.

(2) *Collectors' Ledger Summary:* made up from the Collectors' Ledger, and containing particulars relative to Ledger accounts similar to those given in the Porters' Ledger Summary.

(3) *Rope Ledger Summary:* made up from the Rope Ledger, and exhibiting the debits, credits, and outstandings, on account of ropes.

IX. Paid on Summary: made up from the Paid ons Book, and shewing how the corresponding amount entered in the Advice of Totals (No. VI.) is distributed.

X. Statements of Porters' and Ledger Outstandings.

XI. Agents' and Carriers' Accounts.**XII. Sack Hire, Risk, and Demurrage returns.**

85. GOODS ABSTRACTS.—The abstracts of forwarded goods are made up from the tissue copies of the outward invoices; those of received goods from the inward invoices.

After the inward invoices have been checked and entered in the books, or posted, they are sorted for convenience of abstracting in the following order:—

I. Local, in the same order as local parcel way-bills,
viz. :—

- (a) Traffic with each station.
- (b) Stations in the order of the Accountant's list.
- (c) In order of date.

II. Foreign.

- (a) Traffic with each terminal Company.
- (b) Traffic with each station.
- (c) Stations in alphabetical order.
- (d) In order of date.

III. Irish : in same order as foreign.

It has been explained that in abstracting *parcel* traffic, the items of each day's bills are added together and included in one entry, a month's traffic from a station being thus kept within the limits of a single form. In abstracting goods traffic, however, the date, number, and total weights and moneys of *each invoice* have to be given, dropping fractions of a hundredweight under half a hundredweight, and treating half a hundredweight or more as one hundredweight. In the case of foreign traffic, the numbers and owners of the wagons, and a description of the goods, must also be inserted. Consequently, in recording a month's inward or outward goods traffic between a pair of stations, several forms are frequently used.

The abstracts are added up so as to shew a monthly total; and also a weekly total when more than ten invoices are included in one week, the week ending with Saturday.

It is essential that every inward and outward invoice be abstracted, whether the goods have reached their destination or not; invoices of missing goods being afterwards cleared, if necessary, by "local allowance," or "past foreign overcharge." All undercharge invoices should also be included, and distinguished as such in the abstracts.

Separate abstract forms are used for local, foreign, and Irish traffic respectively; outward abstracts and summaries being invariably printed in black ink, and inward, in red. (See Forms 37 to 40, App.)

The Clearing House regulations respecting supplementary abstracts, weights, moneys, routes, description of traffic, &c. (similar to those referred to in connection with foreign parcel traffic), should be carefully observed in abstracting foreign goods traffic. It is scarcely necessary to add, that so far as the regulations relate to the *accurate and legible* preparation of the abstracts, they are equally applicable to the "local."

Moreover, stations should be just as particular to properly record the invoice weights and moneys that do *not* affect their debit, as those that do.

It is sometimes thought that if the *debits* are right, the other details of the abstracts, notably the weights, are not important. This is a mistake. The calculations of the terminal allowances on foreign traffic are based upon the weights, and if these be understated, or if "carted" weights be entered in the "not carted" column, or "not carted" in the "mineral class" column, the errors, if not discovered by the Clearing House or Audit department, might cause loss to the Company.

86. Goods entered "Particulars to follow."—It frequently happens that, for various reasons, goods have to be

sent forward with an unpriced invoice, marked "Particulars (charges) to follow." In such cases, if the invoice of charges is not sent in the same month, the date and number of the unpriced invoice, description of goods, wagon number, and weight, also an explanation why not invoiced, are entered on "Particulars to follow" abstract forms, which are sent with the ordinary returns to the Accountant.

When *priced* invoices have been sent, they are abstracted in the usual way, *but are also entered on special, or duplicate abstract forms*, shewing the date, weight, charges, and reference to the unpriced invoice. These duplicate abstracts are prepared, in respect of local traffic only, by both forwarding and receiving stations; outward and inward traffic being entered on separate forms.

The forwarded unpriced, or "P.T.F.," abstracts are compared in the Audit Office, with the "received," to see that both stations agree; and the entries are marked off as the items subsequently appear in the *duplicate* abstracts of priced invoices, these being also compared with the *ordinary* abstracts, to see that the charges are taken to account.

This practice prevents "particulars to follow" invoices being lost sight of—not an uncommon event, and one perhaps involving in some cases considerable loss, especially if it should transpire that proper vigilance is not exercised at stations.

87. Goods Summaries (Forms Nos. 41 to 43, App.).—After the abstracts have been completed, the totals are transferred to the local and foreign summaries.

The locals are entered in the order of the station list; the foreign according to route as before explained.

"Light" foreign traffic is distinguished from "heavy," and entered on special summaries in accordance with the directions printed on the forms, as in the case of foreign parcel traffic; the limit for "light" goods being a charge of 15/- for the month

in either direction, after deducting paid ons. The totals of the "light" summaries are entered at the foot of the "heavy" summaries, and included in the totals of the latter.

Distinctive summaries are used for Irish traffic.

When the summaries cannot be completed by the time the abstracts are due at the Accountant's office or Clearing House the abstracts are balanced (the totals being taken down roughly), press copied, and despatched; supplementary abstracts of "late" invoices being afterwards sent, and added to the summaries, which are completed and sent to the Accountant, with the remainder of the returns as a rule by the eighth or ninth day of the month following that to which they refer. All abstracts are due by the 6th or 7th of the month.

When invoices are received after the month's returns have been completed, it is necessary, if they affect the debit, to take them to account in the following month as "omissions."

88. Live Stock Abstracts and Summaries (Forms Nos. 44 to 49, App.).—The outward abstracts are made up from the counterparts of tickets issued; the inward, from tickets received.

The totals are then transferred to summaries. The foreign abstracts and summaries are sent to the Clearing House, and the locals to the Accountant.

Live stock traffic should not, under any circumstances, be entered in the goods returns.

89. Local Transfer Summaries.—These are made up from the tissue copies of transfers forwarded, and the originals of transfers received, and shew:—(1) date; (2) number of transfer; (3) where sent to—or received from; (4) amount "paid on"; (5) amount "to pay."

When all have been entered, the summaries are cast, and the total of the "paid on" should, of course, correspond with the total of the "to pay" column in each summary.

Separate forms are used for “outward” and “received” transfers.

90. Under and Over-charge Summaries.—These are made up from the under and over-charge sheets, and the columns contain the following particulars:—(1) station to—or from; (2) name of company; (3) route; (4) amount of undercharge; (5) amount of overcharge.

Separate forms are used for “outward” and “inward,” and the totals should agree with the Registers.

91. Omission Sheet.—This is a form of abstract for items taken to account in the current month, in correction of amounts omitted from, or erroneously entered in, previous months’ goods and live stock abstracts.

Under normal conditions, however, there would be but few items to take to account in this way, except those entered in a past month’s inward invoices, which did not come to hand until after the accounts for that month were closed. In such cases, a discrepancy between the forwarding and receiving stations’ abstracts would, in the ordinary course, be discovered by the Audit department, or Clearing House, and scheduled as an “inaccuracy” to the receiving station, with instructions to enter it in the next month’s “omissions,” if the discrepancy affected the debit.

But when the accounts of a station are voluminous and complicated, discrepancies might, unless great care be taken in recording the invoices, &c., arise in various ways.

A few examples, marked “A” to “H,” illustrating this, are given on the following pages.

EXAMPLE “A” supposes that a re-charge invoice, dated May 31st, sent by authority from Grimsby, M. S. & L., to Birmingham, was either lost in transit, did not come to hand until the accounts for May were closed, or was overlooked by the receiving station. Sequel:—

RAILWAY.

Full Particulars of all OMISSIONS, ALTERATIONS, &c., belonging to previous Month's Summaries, which are accounted for in Birmingham Station's Advice of Totals for June, 19—.

Date.	Invoice No.	From.	To	Carted.		Not Carted.	Paid on.		Paid.		To Pay.		The Totals of these Columns must be carried into your Advice of Totals.									
				T.	c.		q.	lb.	T.	c.	q.	lb.	£	s.	d.	£	s.	d.	£	s.	d.	
May 30	150	Grimbsy M.S. & L.	Birmingham					1	0	0		1	0	0		1	0	0				
April 24	120	Bir'ham	Hull, N.E.	1	2	0			8	4								8	4			
Jan. 29	127	"	Hanley, N.S.						9	0								9	0			
May 26	120	"	Portsmouth, L. & S.W.	10	2	0			19	6								19				
April 24	79	Stafford	Birmingham					9	3				9	3			9	3				
March 19	119	Bir'ham	Goole, L. & Y.					1	2	6		1	2	6						1	2	6
Feb. 22	202	"	Brighton, L.B. & S.C.					2	7	6		2	7	6				2	7	6		
May 22	29	Louth G.N.	Birmingham									10	0				10	0				
							</															

Discrepancy in abstracts discovered by the Clearing House, and Birmingham instructed to take to debit in June.

EXAMPLE "B." A foreign outward *paid* item, abstracted to *pay* in error;—discrepancy found by the Clearing House.

This would probably be owing to a fault in the tissue copy of the invoice, and points to the necessity of taking care that the headings of the invoice, as well as the details, are legibly copied.

Such an error as this could not pass undiscovered by the station in balancing the abstracts, unless, owing to the same fault in the tissue copy, the item had been also omitted from the Porters' Ledger or Tradesman's monthly account.

EXAMPLE "C." This supposes that an outstanding item had been cleared by "past foreign overcharge" by Birmingham in error. Sequel:—Overcharge sheet cancelled by Goods Manager, and Birmingham instructed by means of a "re-debit voucher," sent by the Manager, to again take the item to debit.

EXAMPLE "D." In this case goods are supposed to have been invoiced and abstracted by Birmingham to Portsmouth, L. & S. W., who took the invoice to account. Portsmouth, L. B. & S. C., having, however, received the goods, applied to Birmingham for an invoice, and a copy was sent, but headed "Portsmouth, L. B. & S. C.," and this was taken to account by the latter Company. Thus, Clearing House having *two* debits against Birmingham, the latter is required, having abstracted to the L. B. & S. C. Company *only*, to take the original entry to account also, as an omission.



Birmingham then clears the extra debit by entering it on an overcharge sheet, the L. & S. W. being then debited in the Clearing House "settlement" with the proportion originally credited to that Company by Clearing House, and to which it was not entitled.

EXAMPLE "E." Local transfer omitted from the Birmingham accounts. Discrepancy between Stafford and Birmingham transfer summaries, discovered by the Audit department.

EXAMPLE "F." This is assumed to be an error in connection with a re-charge invoice sent to clear an amount outstanding in the Birmingham Porters' Ledger.

That station, having omitted (probably in consequence of a fault in the tissue copy) to take credit for the "paid on," either in the abstracts, Paid ons Book, or Porters' Ledger, is authorised to do so, through current month's omissions.

EXAMPLE "G." This supposes a re-charge invoice, to clear an outstanding item, to have been issued without authority, and that the Brighton Company, therefore, refused to accept the debit.

Birmingham re-debited. It would be competent for Birmingham in this case, after obtaining proper authority to do so, to clear the re-debit by re-charge invoice.

EXAMPLE "H." Inward "to pay," 18/-. Posted and abstracted as 8/- in error. Probably the result of an indistinct figure, which, however, should have been made clear when the charges were checked.

It is of course necessary, in order to make a true balance at the end of the month, as described hereafter, to enter all items taken to account in the Omission sheet in the Warehouse Book, Porters' Ledger, or Paid ons Book, and include the

same with the month's totals. To ensure this being done, they should be properly recorded immediately they are advised by the Accountant or Clearing House, or as "late" invoices come to hand.

It frequently happens that for want of invoices, goods have to be delivered with an assumed charge for carriage; this charge being taken to debit through "extras." If, in such cases, it were found, when the invoice or an inaccuracy statement came to hand, that the carriage had been paid by the sender of the goods, it would be necessary to ask the Accountant's authority to refund to the consignee the amount collected from him. If, on the other hand, the charges were "to pay," and corresponded with the amount collected and taken to debit through "extras," the *second*, or omission sheet debit, would be cleared by "local allowance." Or, further, if the amount collected and entered in "extras" was 5/-, and the invoice debit taken to account in the omission sheet was 7/6, then the difference, 2/6, would have to be collected, and passed through the Cash Book, to the credit of the entry for the omission in the Warehouse Book or Porters' Ledger; the balance outstanding (5/-) being cleared by "local allowance."

A reference to the examples will shew that the items affecting the station debit are extended to the "in," "out," or "paid on" column of the omission sheet, the totals only of these columns being carried to the monthly Advice of Totals.

When the Goods, Live Stock, and other Summaries have been completed, the totals that affect the station debit, viz.:—inward to pay, outward paid, and outward paid ons, are entered in the

92. Monthly Advice of Totals.—The "Total for current month" is ascertained by adding together the totals of the summaries, and deducting overcharges; previous months' omissions, &c., as per schedule, being added at the foot. The

RAILWAY.

STATION, FOR JUNE, 19—.

ADVISE OF MONTHLY TOTALS FROM

TOTALS OF MONTHLY SUMMARIES:—	Inward. (To pay.)		Outward. (Paid.)		Outward Paid On and Transfers.		* N.B.—The Total of this column must agree with the Total of the Paid on Summary sent to the LEDGER OFFICE.
	£	s. d.	£	s. d.	£	s. d.	
GOODS, Local	335	3 5	201	19 7	52	19 8	
" Foreign	465	1 4	120	5 10	19	14 4	
" Irish	51	2 10	21	0 2	2	9 10	
CATTLE, Local	11	17 3	2	3 3			
" Foreign	7	4 3					
" Irish							
Undercharges		7 9		14 2			
Local Transfers	86	7 2			50	12 2	
Total	957	4 0	346	3 0			
Less Overcharges		15 4		5 1			
Total for Current Month	956	8 8	345	17 11	125	16 0	EXTRAS.
Omissions, &c., in previous months as per statement herewith	1	19 3	4	4 4	1	2 6	10 11 0
The GOODS TOTAL of the Debit List sent to LEDGER OFFICE must agree with this Total	958	7 11	350	2 3	126	18 6	30 10 1

Signed, _____

amount shewn as “extras” is copied from the extras book, the month’s total of which is given. This item is divided so as to shew in the advice of totals the amount included for—

- (1) Sack demurrage, as per sack abstracts, described farther on.
- (2) All other extras, this being the balance of the total for the month.

The next step is to balance the *total debits*, as shewn by this return, with the totals of the

93. Debit List.—This is made up from the Customers’ Ledger Accounts, Porters’ Ledger, Rope Ledger, Extras Book, &c. It is, therefore, almost needless to say that it would be no use attempting to strike a balance, unless those accounts and books had been fully posted up. In doing this, care should be taken that all undercharges and overcharges are properly dealt with, and that all undercharge invoices are posted, inward and outward separately, to the debit of the Accountant. It should be seen also, that outward paid ons, recharges, and transfers, have been duly entered in the Paid ons Book, and that the month’s total of the Warehouse Book, Porters’ Outstandings Book (if used), and the Porters’ column of the Extras Book, have been correctly recorded in the Porters’ Ledger.

Further (although the figures on the *credit* side of the Porters’ Ledger are not taken into consideration in balancing the abstracts), it would be well, *before* making up the Debit List, to see that all cash, allowances, and other credits have been entered up, and that they agree with the Cash Book and Daily Advices; also that outstanding items have been extended, and that the total of the *credits*, plus outstandings carried forward, agrees with the total of the *debits*. This would be found to be a salutary check upon a possible double error on the *debit* side of the Porters’ Ledger, which, if not found out in this way, might cause considerable trouble.

RAILWAY. ACCOUNT OF DEBITS at _____ Station.

For Month ending June, 19--.

N.B.—This Return must be signed by the PRINCIPAL of the Station under the Grand Total.

Name, Occupation, and Address.	Transfers from other Accounts.			The Goods total of these Columns must agree with the Totals of your MONTHLY SUMMARIES.						Extras.			Total.		
				In.			Out.								
	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.
Ledger Accounts (various)	10	3	4	496	4	4	300	1	4	1	7	0	807	16	0
—— Railway Co.				21	3	6							21	3	6
Pickford & Co.				35	12	10	17	2	6	10	4		53	5	8
Accountant's Undercharge A/c				2	17	5		10	2				3	7	7
Engineer	10	3	4	555	18	1	317	14	0	1	17	4	885	12	9
Porters' Accounts				3	2	8							3	2	8
Ropes				366	17	2	32	8	3	23	12	9	422	18	2
Sack Demurrage				32	10	0					10	0	33	0	0
Manure Sales										10	11	0	10	11	0
Compensation Sales										1	15	0	1	15	0
										2	15	0	2	15	0
	10	3	4	958	7	11	350	2	3	41	1	1	1359	14	7

This space used in Accountant's Department for binding purposes.

The "*Debit List*" is, in reality, the station's gross *credit* statement; shewing how the invoice debits and extras as per Summary of Totals, or gross *debit* statement, have been disposed of, or distributed for collection: that is to say, how much has been posted to the debit of Porters' accounts; how much to the debit of parties who have monthly Ledger accounts; how much to the debit of other Railway Companies, Carting Agents, and Special accounts.

These particulars are set forth in the following order:—Tradesmen's Ledger accounts are entered first, in alphabetical order of names; the amount of each person's *inward* account being shewn in the inward column; *outward* in the outward column; and *extras* (if any) in the extras column, the total being extended. Amounts transferred from Porters' to Ledger accounts are entered as "*Transfers from other accounts,*" and included in the total. The Porters' Ledger, as previously explained, is cleared of these amounts by an entry on the credit side thereof, as "*Transfers to other accounts.*" Accounts against other Railway Companies and Carting Agents (100) are then entered and a total made.

Next follows the amount of undercharge invoices posted to the debit of the Accountant; then the accounts (if any) against the Engineer's or Stores department for carriage of permanent way materials or stores (to which should be attached the declarations of the permanent way Inspectors, or original consignment notes of senders); and, next, Porters' accounts, which must agree with the totals of the month's debit—in, out, and extras—as summarised in the Porters' Ledger. (See examples.) The debit for the month for ropes, shewn separately in the Debit List, is copied from the Rope Ledger.

"*Sack Demurrage.*"—The amount charged for demurrage not received sacks and taken to debit through extras, is stated opposite this entry. (See "*Sacks.*")

The last two items in the Debit List are for manure sales, and compensation sales. These entries should agree with the total amount shewn on the sale advices sent during the month to the Goods Manager and Accountant, and with the entries in the Extras Book.

94. Balancing.—If on being added up *the “in” and “out” columns of the Debit List be found to correspond with the Advice of Totals*, the chief difficulty in connection with the station's monthly goods accounts may be considered to have been overcome. There should be no trouble with “extras”; and to balance the outward paid ons column of the Advice of Totals with the Paid ons Book is a comparatively easy matter.

Should the totals *not* agree, then, as many a Railway man knows, it simply means that the difference cannot be “shelved.” Goods accounts *must* be balanced before being sent to the Accountant's office, otherwise endless trouble and correspondence will be caused. Clerks, therefore, who are responsible, and desire to earn distinction for accuracy and punctuality in rendering their returns, will assiduously apply themselves to the task of finding out where the difference exists.

If the inward “to pay” and outward “paid” were both wrong, it might be that an item had been transposed in abstracting. An amount abstracted, but omitted from the Porters' Ledger, Warehouse Book, Rope Ledger, or a Ledger account, would of course cause a difference; but unless the item omitted happened to be outstanding, the discrepancy would be more likely to have occurred in posting the Ledger accounts, than in entering up the Warehouse Book or Porters' Ledger, as in all probability an omission would in the latter case have been discovered in posting and balancing the cash.

Or a difference might be caused by an invoice being overlooked in abstracting; by the omission of the totals of an abstract from the summary; and in various other ways. In order to

discover it, it might be necessary to check the whole of the work. While this would doubtless reveal the cause of difference, it would be likely to have at least one other good result, viz.:—that of shewing the desirability of systematic care and thoroughness in dealing with the details of the accounts.

At important stations this is well understood, and where the traffic is heavy, the abstracting, posting, &c., is done daily or weekly, and balanced weekly, so considerably reducing the chances of a difference in balancing the totals for the month; or at any rate, by forcing it within narrow limits, rendering its discovery a more easy matter.

The correctness of the “received” abstracts is tested every week at some stations in the following manner:—

The total amount entered “to pay,” and the totals of the amounts extended to the undercharge, overcharge, porters’, and posted columns of each inward invoice, are copied as below into a Balancing book provided with several money columns for this purpose. Local and foreign are kept separate.

WEEK ENDING JUNE 7TH, 19—.

From Inward Invoices.					From Abstracts.
To pay.	u/c.	o/c.	Porters.	Posted.	To pay.
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
2 1 6	....	....	15 4	1 6 2	3 10
16 2	....	....	9 2	7 0	17 6
3 8	1 6	....	5 2	....	2 9 4
1 17 4	....	3 7	1 2 11	10 10	18 6
18 1	....	....	2 9	15 4	7 6
Gross Dr. 5 16 9	1 6	3 7	2 15 4	2 19 4	12 4
+ u/c 1 6				2 15 4	7 9
5 18 3					
- o/c 3 7					
Net Dr. £ 5 14 8			Net Cr.	£ 5 14 8	£ 5 16 9

When all the invoices, say for the first week in the month, have been thus dealt with, the columns are added up, undercharges being added and overcharges deducted. The balance is the station's inward invoice net debit, and should agree with the combined totals of "porters'" and "posted," which shew how such debit has been disposed of, and which may be taken to represent the *credit* side of the invoice.

The week's totals of the abstracts are then taken out, and should correspond with the gross invoice debit.

The next thing is to test the accuracy of the amount shewn as "Porters'." This is done by adding together the week's totals of the entries in the Warehouse Book, Cartage Register, and Rope Ledger.

The "posted" column is balanced with the Tradesmen's accounts.

The forwarded abstracts are balanced in a similar way with the invoices, Porters' Ledger, and Tradesmen's accounts.

In balancing the second and succeeding week's abstracts, &c., the previous week's totals are brought forward and included in the aggregate totals.

The above plan, when fully carried out, proves to be a crucial intermediate test as to the accuracy of the figures.

95. Mineral "Porters'" Accounts.—When stations are requested to collect mineral or toll accounts, made up in the Mineral Traffic Manager's office, particulars of the accounts are entered in the Porters' Ledger, and included with the month's Porters' debit for goods. Such amounts, not being entered in the goods abstracts, and having to be taken into account in balancing the totals, are shewn at the foot of the Debit List in red ink.

96. Porters' Ledger Summary.—This is the station's balance sheet of debits, credits, and outstandings, in respect of "Porters'" accounts. It is made up, as below, from the Porters'

Ledger, and contains the month's totals thereof. The *debits*—in, out, and extras—must agree with the amount entered for “Porters’” in the Debit List; the *credits*—with the month's totals of the Daily Advices of Collection; and *outstandings*, carried forward, with the Summary thereof, referred to farther on.

PORTERS' LEDGER SUMMARY OF TOTALS.

At _____ STATION, FOR JUNE, 19—.

DEBITS:

	£	s.	d.	£	s.	d.
Balance brought forward	192	17	10			
Transfers from other accounts... ..						
Inward	366	17	2			
Outward	32	8	3			
Extras	23	12	9			

TOTAL DEBIT £615 16 0

CREDITS:

	£	s.	d.
Cash received	365	5	5
Local Allowances... ..	7	19	1
Past Foreign Overcharges	4	19	10
Recharges	58	13	0
Transfers to other Accounts	6	12	8
Cash paid Secretary			

TOTAL CREDIT £443 10 0

BALANCE FORWARD £172 6 0

The same form is also used for the

97. Collector's Ledger Summary, which is made up from the Collector's Ledger as under, and verified with the Debit List or Accountant's advices of amounts to be collected; and, as regards the credits, with the Daily Advices of Collection of Ledger accounts.

COLLECTOR'S LEDGER SUMMARY OF TOTALS AT
STATION, FOR JUNE, 19—.

DEBITS:

	£	s.	d.	£	s.	d.
June 1st. Balance brought forward	35	0	0			
<i>May Accounts:</i>						
Transfers	16	15	8			
In	505	16	4			
Out	309	17	6			
Extras	2	10	6			
TOTAL DEBIT				£870	0	0

CREDITS:

Cash received (June)	842	0	0			
Local Allowances	6	10	0			
Past Foreign Overcharges... ..	1	10	0			
TOTAL CREDIT				£850	0	0
BALANCE FORWARD				£20	0	0

N.B.—The succeeding Month's Summary would shew:

DEBITS:

July 1st. Balance brought forward	£20	0	0			
<i>June Accounts:</i>						
Transfers	10	3	4			
In	496	4	4			
Out	300	1	4			
Extras	1	7	0			
TOTAL DEBIT				£827	16	0

From which July Cash, &c., would be deducted as above.

A month being allowed for payment, the debits, as shewn by this Summary, necessarily refer to the month previous to that for which it is dated: *e.g.*, the accounts entered in the Debit List for May, not being sent out and advised nor due till June, would be entered in the June Summary; but the cash collected and other credits should agree with the totals of the Daily Advices for the current month—June. The balance carried forward as “outstanding” thus represents the amount actually overdue.

98. Rope Ledger Summary. (See below.)—This is made up from the Rope Ledger. The inward debit and extras must agree with the Debit List; re-charges with the Paid on Summary; and other credits with the red ink entries in the Daily Advices of Collection.

ROPE LEDGER SUMMARY OF TOTALS.

AT _____ STATION, FOR JUNE, 19—.

DEBITS :

						£	s.	d.
Balance brought forward	...	...	...	...	...	8	10	0
Inward	...	...	...	...	...	32	10	0
Extras	...	...	...	...	...		10	0
						<hr/>		
TOTAL DEBIT						...	...	£41 10 0

CREDITS :

						£	s.	d.
Local Allowances...	...	...	...	...	...	1	0	0
Recharges	...	...	...	...	...	29	10	0
						<hr/>		
TOTAL CREDIT						...	...	£30 10 0
						<hr/>		
BALANCE FORWARD						...	...	£11 0 0

Signed _____, Station Clerk.

98a. Paid on Summary.—The total of this return, as under, made up from the Paid ons Book, will be found to agree with the total of the column for outward paid ons and transfers in the Advice of Totals; Porters' and Ledger recharges with the recharge entries in the Porters' and Ledger Summaries respectively; "Paid ons Clerk" with the amount stopped from the cash collected, as per Daily Advices; Sack transfers with the Sack Ledger Summary; and Sack hire (paid ons not paid) with the total of the outward Sack Abstract. (See "Sacks.")

SUMMARY OF PORTERS' OUTSTANDINGS.

RAILWAY. _____ STATION, FOR JUNE, 19 ..

Monthly Return of Goods Porters', showing Totals of Balance brought forward, Current Debit and Credits on Account of same.
The Totals of each column to agree with those shown on Porters' Ledger Summary.

Year.	Date.	Balance Brought Forward.		Current Debit.		Cash.		Local Allowances.		Past Foreign Overcharges.		Rec' charges.		Transfer to other Accounts.		Balance Carried Forward.	
		£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.	£	s. d.
19 ..	January ..	19	5 8			1	4 0					2	12 1			15	9 7
	February..	21	1 2			6	2 10			16	1			1	13 7	12	8 8
	March ..	31	2 6			8	10 11	17	1 1	1	9 3	2	6 4			17	18 11
	April ..	71	6 4			5	4 6	1	2 1			5	10 0	1	16 3	57	13 6
	May ..	50	2 2			21	9 7	2	6 1	2	14 6	12	2 1	3	2 10	8	7 1
	June ..			422	18 2	322	13 7	3	13 10			36	2 6			60	8 3
TOTALS.....		192	17 10	422	18 2	365	5 5	7	19 1	4	19 10	58	13 0	6	12 8	172	6 0

Station Agent _____

SUMMARY OF PAID ONS AND TRANSFERS
AS PER PAID ONS BOOK

										STATIONS, FOR JUNE, 19—.		
Paid Ons not Paid—										£	s.	d.
1.	Cartages, &c.	...	...	...	...	...	...	...	...	2	5	8
2.	Meat Cloths, &c.	...	...	...	...	...	...	...	...	13	0	
3.	Warehousing, &c.	...	...	...	...	...	...	...	...	2	12	6
4.	Sack Hire, &c.	...	...	...	...	...	...	...	...	7	13	6
Agents' Paid Ons—Pickford & Co.										13	4	8
" " Chaplin & Co.										8	8	2
Sack Transfers										3	3	6
Rope Recharges										17	4	
Ledger Recharges and Transfers										29	10	0
Porters' Recharges and Transfers										58	13	0
Pickford & Co. do.										17	2	
Paid ons Clerk										12	4	8
										£126	18	6

99. Outstandings.—Two lists, giving name, date, and amount of Ledger accounts not collected by the end of the month in which they are due, are sent on the second day of each month, one to the Accountant, the other to the General Manager, with an explanation why not collected. The totals of these returns must agree with the balance carried forward as shewn by the Collector's Ledger Summary.

A list of all Porters' items that have been outstanding three months or more, is sent every month to the General Manager, and Goods Manager, with an explanation of delay in collection.

The only statement of Porters' outstandings sent to the Accountant, is a monthly Summary (see opposite page), shewing the ages and amounts of outstandings, and how much has been collected or cleared during the past month. The totals of this statement must agree with the Porters' Ledger Summary.

Little need be said here as to the importance of keeping down

Agents' Ledger. By doing this, the whole of the inward to pay items, except those posted to monthly Ledger accounts, are brought together in one book, which facilitates balancing the abstracts.

Full particulars of Carriers' or Agents' extras are entered in the Extras Book, the totals whereof are agreed at the end of the month with the Agents' Ledger.

On the invoices of outward traffic, all "paid" Porters' items in connection with goods delivered to the Company by Agents or Carriers, are marked with their initials; and bills of the charges for carriage collected by them are rendered daily.

Early in every month accounts for the previous month's collection are made out as follows:—

RAILWAY.

Station, June, 19—.

Messrs. PICKFORD & CO., in account with the _____ Railway Company.

Dr.	£	s.	d.	Cr.	£	s.	d.
To Inward Traffic	35	12	10	By Local Allowances	1	3	4
„ Outward do.	17	2	6	„ Re-charges... ..	17	2	
„ Extras	10	4		„ P. F. O.	8	10	
				„ Balance	50	16	4
	<u>£53</u>	<u>5</u>	<u>8</u>		<u>£53</u>	<u>5</u>	<u>8</u>
To Balance	50	16	4	By Paid ons	8	8	2

On the debit side are entered the totals of the Agents' Ledger for "inward to pay" and "extras," and of the daily bills for "outward paid"; credit being given on the other side for any allowances, overcharges, re-charges during the month (details of which are furnished to the Agents), also for "outward paid ons" as per Paid ons Book.

After being certified by the Company's and Agents' representatives, these statements are sent to the Accountant with the Debit List, on which, as we have seen, the month's debit against each Agent is entered separately.

101. Agents' Monthly Cartage Account.—This shews the total weight of each class of goods, also the number of "smalls," both inward and outward, carted by the Agents during the month. It is made up from the Agents' Delivery Sheets or Cartage Register, for inward traffic; and from the consignment notes or invoices, for outward; the weights and number of "smalls" being summarised in foolscap books for this purpose. This statement is also certified by the representatives of the Agents and the Company, and sent with the other returns to the Accountant, by whose department the allowances for cartage are calculated at agreed rates, and inserted in the Agents' accounts, which are then recorded and sent out. (See Accountant's Department.)

Accounts due from or to other Railway Companies at junction or transshipping stations, are dealt with in a similar way.

SACKS.

102. Sacks for the conveyance of grain and seed by Railway were formerly supplied almost exclusively by Contractors, who made this their special business. But as many inconveniences surrounded this system, most of the principal Railway Companies have established Sack Depôts of their own, and themselves provide sacks for their Customers after an application at the stations.

For this purpose the sacks are issued from the Depôt in bundles of 20 each, viz.:—nineteen placed inside one; and at stations where there is a continual demand for sacks, a number are kept in stock, the owning Company's name or initials being

clearly marked on them, also upon all consignment notes, invoices and other documents in connection therewith.

A small charge is made for hire; and demurrage is charged if sacks are detained beyond the time allowed, misused, wrongly sent, returned unused, or returned full and afterwards removed without being forwarded by train.

The charges for hire, and demurrage on sacks had out for the purpose of being filled; or, after being filled, remaining on hand at the station for want of forwarding instructions for a longer time than that allowed, are entered on the same outward invoice as the grain, "paid on" and "paid," or "paid on" and "to pay," as the case may be.

The "paid" charges are collected from Sender, and the "to pay" from Consignee; but in the event of the latter refusing to pay them, the Consignor, or hirer, is held responsible for all amounts due up to the date of delivery to Consignee.

The amount entered in the invoice as "paid on" for hire and demurrage is shewn separately in the Paid ons Book, and in the Paid on Summary, as we have seen, as "paid on not paid," this being done in order that in invoicing to foreign stations, the owning Company may receive credit for the use of the sacks in the Clearing House settlements.

The demurrage charges on sacks delivered full and detained beyond the time allowed, or had out to fill but returned unused, or returned full and afterwards removed without being forwarded by train, cannot, of course, be entered on an invoice, there being no forward consignment. A debit for these charges is therefore raised in "extras." [See Extras Book and Debit List, 72 and 93.]

The same applies to other demurrage charges not entered on invoice for misuse or sacks, or for sacks returned to stations other than those from which received.

When sacks are consigned to stations on other lines, "sack

risk " is usually taken credit for upon the invoice by means of a "paid on" entry *not extended*, at a nominal rate per ton of grain to cover the extra risk supposed to be incurred by the sacks, passing beyond the jurisdiction of the parent line, and for the right of user (for the same consignment only) of the other Company.

This "paid on" is likewise dealt with as "not paid," and credited to the invoicing Company by the Clearing House.

When grain in the local Company's sacks is consigned to a station on a foreign line to which there is no through rate, and is consequently invoiced to the junction station, a separate invoice headed "through hire and risk invoice" is made out, upon which is entered the hire and the sack risk. These invoices are attached to, and accompany the invoice upon which the grain is entered. Reference to the junction invoice is also given upon the hire and risk invoice; and care should be taken that the weight of grain is not placed in the weight column of the hire and risk invoice, but that it is so entered as to prevent its being inserted in the goods abstracts. The hire and risk invoice is delivered to the forwarding Company at the junction station at the same time as the grain, with a request that reference be given to it on the forwarding invoice, and that it be attached to and sent with the latter to the destination of the grain.

When grain is re-consigned by other Companies in the local Company's sacks, the usual hire is charged. In these cases the local—*i.e.*, owning—Company's Sack Dépôt is advised, and monthly accounts made out by the latter for the amounts due. These are sent to the Accountant, and, after being recorded, are sent by his department to the respective Companies.

In like manner, when foreign sacks are received at local stations and re-consigned or re-filled by consignees and invoiced forward with the usual charges; or when demurrage is incurred on foreign received sacks, the stations apprise the

owners thereof. Copies of these advices are sent to the Accountant to enable his department to check the other Companies' accounts, which, if found correct, are then entered and passed for payment.

A small charge is made when returning empty foreign sacks to the owning Companies. Credit is taken for this on an invoice by paid on not extended, as in the case of sack risk.

When grain is transferred to the name or order of another party at a station, the transferee is immediately advised, and the charges incurred up to date are inserted on the advice note.

In order that a proper record may be made of the sacks and charges, the following books are kept. Specimen entries are given in the forms which will be found in the Appendix.

103. Sack Application Book.—The agents' requisitions to the *Depôt* for sacks are made on forms, specifying date and quantity required.

The forms are type-numbered and duplicates are retained at the station.

104. Empty Sack Delivery Book (Form No. 50, App.).—Upon delivery of sacks to the public for the purpose of being filled, the signature and full address of the hirer, or of some person on his behalf, is obtained in this book. The counterpart is also filled up, and this is delivered to the person taking away the sacks. When returned, whether full or empty, they are credited at the back of the ticket in the book, and all demurrage incurred for detention beyond the time allowed for filling, or on sacks returned unused, is shewn in the column provided for the purpose. The former is charged on the invoice as explained, and the latter posted to the debit of the hirer in the Sack Ledger. (See page 133.)

A statement on form No. 51, App., of sacks taken out to fill and not returned within a month of the date hired, is sent, on the first day of each month, to the Sack *Depôt*.

105. Full Sack Delivery Book (Form No. 52, App.).—In this book a receipt is obtained from the public for all full sacks delivered to them. The counterpart or “delivery note” is also filled up and given to the Consignee.

106. Full and Empty Sacks Receipt Book (Form No. 53, App.).—In this are entered particulars of all sacks, whether full or empty, brought to the station, also sacks “shot” or “re-consigned,” as per printed headings. The counterpart receipt form is also filled up and given to the public.

107. Sack Abstract Book, Outward (Form No. 54, App.).—On the debit side of this book are entered particulars of all sacks received, in accordance with the printed headings as under :—

- | | | | | | |
|--------------------------------------|-----|-----------|-----|-----|--|
| (1) Balance from last week... | ... | ... | ... | ... | |
| (2) Sacks from Dépôt since last week | ... | ... | | | |
| (3) Sacks taken out full and | { | Empty... | ... | | |
| returned | | Re-filled | ... | | |
| (4) Sacks re-consigned or shot | ... | ... | ... | ... | |
| (5) Sacks from public not ob- | { | Full | ... | ... | |
| tained at the station ... | | Empty... | ... | | |

The particulars of the sacks from the Dépôt are obtained from the free invoices, and the remainder from the Full and Empty Sacks Receipt Book.

On the credit side of the Sack Abstract Book are entered all sacks, either full or empty, forwarded from the station to other stations, with the charges incurred as per outward invoices and paid on summary.

The total of the debit entries, less that of the credit entries, is the balance of sacks for which the station has to account, and these may be classed as follows :—

(1) Out to fill	} Balance to follow- ing week.
(2) Full at station to forward	
(3) In warehouse empty	

A summary of the debits and credits in this book, and detailed statement of the latter, is made up fortnightly and sent to the *Depôt*.

A copy of the "Credit—Outward" side of the Sack Abstract Book is also sent to the Accountant monthly.

108. Sack Abstract Book, Inward (Form No. 55, App.).—On the debit side of this book are entered *all full sacks received from other stations*, and on the credit side their disposal in accordance with the printed headings, the balance being sacks in warehouse, full waiting, delivery, or re-consignment, or other instructions of Consignee.

A copy of the entries is sent to the Sack *Depôt* fortnightly. A monthly abstract shewing the charges incurred for demurrage as per Sack Ledger is also sent to the Accountant. (See Form No. 56, App.)

109. Sack Ledger (Form No. 57, App.).—The debits for full sacks in this book are posted from the credit side of the Sack Abstract Book (inward), and the credits from the Full and Empty Sacks Receipt Book. Sacks taken out empty and returned empty after use are also posted in this book. The charges for demurrage are extended, three cash debit columns being provided, in order to avoid the necessity of carrying the sack balances forward at the close of every month.

The cash columns are ruled off at the end of each month and the totals entered on a **Sack Ledger Summary** (Form No. 58, App.), the totals whereof are then transferred to a summary for the Accountant as follows:—

RAILWAY.

SACK LEDGER SUMMARY OF TOTALS

AT _____ STATION, FOR JUNE, 19—.

DEBITS :

	£	s.	d.	£	s.	d.
Balance brought forward... ..				6	8	6
For current month, on Sacks received full from						
other stations	4	19	7			
On unused Sacks	5	11	5			

As per Debit List ("Extras")

10 11 0

£16 19 6

CREDITS :

	£	s.	d.
Cash Received	2	13	9
Recharges		17	4
Transfers to other Accounts	3	10	8

As per red ink entries in Daily Advices or Collection

7 1 9

Balance carried forward... ..

£9 17 9

(Signed), _____ Agent.

When parties have Goods Ledger accounts, a bill is made out for demurrage for the month, and credit taken by transferring the amount through the "other parties'" column of the Sack Ledger and Summary (as above) and Debit List, the bill being attached to the goods carriage account, and included in the totals thereof.

When amounts for sack demurrage belonging to other stations are collected, they are treated as "goods," and included in the Porters' cash. The station requiring credit is authorised to recharge the amount by means of a "Local Transfer." (Form No. 29, App.)

The debit and credit columns in the Sack Ledger for numbers of sacks are ruled off quarterly, and the balances carried forward; a statement thereof, also of those outstanding more than a month, being sent to the Depôt on Forms No. 59 and 60 (App.) respectively.

By means of the various station returns furnished to the Depôt, and there summarised, the Company's Sack Agent is enabled to ascertain exactly the position of, and regulate, the stocks and outstandings, and to take action in such matters as may require investigation.

On the other hand, from the returns furnished to the Accountant, the earnings from this source of revenue may be readily ascertained.

110. Résumé.—The following is a résumé of the ordinary Goods and Live Stock returns furnished by the stations each month, viz.:—

(1.)—*Foreign returns sent, as a rule, direct to the English and Irish Clearing Houses :*

Goods Abstracts.

Foreign "Light" Summaries.

Live Stock Abstracts and Summaries.

(2.)—*Returns sent to the Accountant's Goods Audit Office :*

Local Goods and Live Stock Abstracts, "In" and "Out"

Do. do. Summaries do.

Foreign Goods Summaries do.

Irish Goods Summaries do.

Local Transfer Summaries do.

Under and Overcharge Sheets and Summaries do.

"Particulars to Follow" Abstracts (Local).

Account of previous months' Omissions, &c.

Sack-hire, Risk, and Demurrage Abstracts

Advice of Monthly Totals.

(3.)—*Returns sent to the Accountant's Ledger Office :*

Account of Debits or "Debit List."

Porters' Ledger Summary or Balance Sheet.

Collector's Ledger Summary or Balance Sheet.

Rope do. do.

Sack do. do.

Paid on Summary.

Tradesmen's Monthly Carriage Accounts.

Agents' Collection and Cartage Accounts.

Engineer's and Stores Department Carriage Accounts.

List of Undercharge Invoices posted to debit of the
Accountant.

List of Ledger Accounts not collected (a copy of this
is also sent to the General Manager).

Summary of Porters' outstandings. (Detailed lists of
amounts outstanding for three months or more are
also sent to the General Manager.)

STATION ACCOUNTS OF TRAFFIC.

(MINERAL DEPARTMENT.)

111. Mineral Traffic, *i.e.*, Coal, Coke, and Lime traffic, is, as a rule, conveyed in private wagons, loaded and unloaded by the owners or their agents.* The Railway Company simply hauls the traffic from the collieries or other places to its destination, or the junction station *in transitu*, and provides siding, wharf, and weighing accommodation thereat. The charges for such accommodation are included in the rate for haulage, except the rent of coal offices occupied by merchants and others, which is paid to the Company's Rent Collectors, and forms part of the income from rental property.

The accounts of Mineral traffic, furnished by the stations, are few and simple in comparison with those of Goods and Cattle traffic, inasmuch as the Agents have nothing to do with the assessment of the charges for haulage or "tolls," nor with the collection of the cash unless specially advised. These matters rest entirely with the Manager of the Mineral Traffic department, the Accountant, and General Manager, by whom the accounts against the various colliery proprietors and merchants are made up, rendered, and collected monthly.

* The Midland is an important exception, that Company having in recent years bought up large quantities of private wagons.

To enable the Mineral Traffic Manager to prepare the toll accounts, however, it is necessary for the stations to take note of, and invoice the traffic, and to furnish daily, weekly, and monthly returns thereof, as follows:—

112. Outward Traffic.—The senders of all mineral traffic are required to make a Declaration of the weight, Form No. 61, App. (or one similar being used for the purpose, and handed to the Company's representative).

Invoices (Form No. 62, App.) are then prepared, press copied, and sent to the stations to which they refer.

Abstracts of outward traffic, accompanied by the declarations of weight, are sent to the Mineral Manager's office daily, and summaries thereof daily, weekly, and monthly.

The Daily local and foreign Abstracts (Form No. 63, App.) are made up from the tissue copies of the invoices. A distinctive feature of the mineral abstracts is that the names of the senders and consignees are given, and that separate abstracts are made of traffic from, or on account of, *each colliery*, notwithstanding that it may have been invoiced between the same pair of stations; this being essential in order that the Mineral Manager's department may properly assess the charges.

The Daily Summaries simply exhibit in three columns (1) the names of the colliery owners; (2) numbers of declarations, and (3) weight. The total of these returns should agree with the daily abstracts.

Weekly Summaries (Form No. 64, App.) are made up from the tissue copies of the daily abstracts to each Saturday night, and despatched to the Mineral Manager on the following Tuesday. Traffic from each colliery is entered on a separate summary.

The Monthly Summaries shew the gross tonnage from each colliery for the month, and how distributed as between local and foreign stations. Thus:—

Colliery.	To	Coal.		Coke.		Lime.		Lime-stone.	
		T.	C.	T.	C.	T.	C.	T.	C.
	Local Stations.....								
	Foreign Stations:—								
	..... Co. ..								
	..... Co. ..								
	and so on.								

They are made up from the tissue copies of the invoices, and the totals should agree with those of the weekly summaries; allowance being, of course, made for traffic on odd days at the commencement or end of the month.

113. Inward Traffic.—Returns of all mineral traffic received, giving the numbers and owners of the wagons, and other particulars as shewn on the labels, are furnished daily to the mineral clerks at the stations, by the number takers or outdoor staff appointed to this duty.

With these returns the inward invoices are checked as they arrive; any wagons received without account, or invoices without wagons, being immediately made the subject of correspondence, with the view of obtaining an invoice, or ascertaining the whereabouts of the missing trucks.

An advice is delivered by hand to merchants or others to whom wagons are consigned, and their acknowledgment taken as soon as possible after arrival.

Previous to unloading, the consignees are requested to sign for the contents of the trucks in the inward Mineral Traffic Abstract Book (Form No. 65, App.), which is made up from the inward invoices and daily returns of traffic received.

In order that siding rent may be charged on wagons not unloaded within the time named in the advices, the particulars of each wagon—when received and placed in position for unloading, and when unloaded and returned—are entered in a

foolscap book. When siding rent has been incurred, the number of days and amounts chargeable are extended into columns for this purpose, and the particulars transferred to Form No. 66 (App.) which is made up to Saturday night, and sent to the Mineral Manager's office on the following Monday, to be there dealt with.

Abstracts and Summaries of *inward* traffic are sent to the same office *once a month only*; foreign abstracts being due thereat on the 6th, and local, together with the summaries, on the 10th of the month following that to which they refer.

The Abstracts (Forms Nos. 67 and 68, App.) are made up from the received invoices (which are sorted in station, colliery, and date order, and tied up in weekly bundles), and weekly, as well as monthly, totals are made.

As in the case of the outward, separate abstracts are used for traffic from each colliery, also for each wharf or place of unloading the rates to which are different.

Wagons received without account, or invoices without wagons, are entered in the abstracts (when the matter has not been cleared up by correspondence), with an explanatory remark in the margin.

The inward Summaries, shewing (1) name of colliery; (2) invoicing station; (3) weight of coal; (4) coke; (5) lime, and (6) limestone, are made up from the received abstracts; local and foreign being entered on the same form.

The totals of the summaries, in the aggregate, should tally with the month's total weight, as shewn by the Abstract Book.

The total weight received in the corresponding month of the previous year is also given at the foot of these returns, and if there is any unusual increase or decrease the cause is stated.

Distinctive forms of declaration, invoices, and abstracts, are used for coal purchased by the Stores department for the use of the Locomotive and other departments.

When Locomotive coal is required to be removed from the station to which it was originally consigned to another, advices are sent by that department to the forwarding station, so that invoices may be prepared. This traffic is not abstracted.

A statement shewing, for purposes of comparison, the quantity of wagons and total weight of coal received during the month for each merchant, gas company, or private firm, and from what collieries, is made up from the wagon arrival and abstract books, and sent to the Mineral Manager's office on the 15th of the following month.

114. Weighing Machines.—The gross, tare, and net weight of all coal passed over the Company's machines is recorded in a book with the following headings:—

NET WEIGHT OF COALS.

No.	Name.	Residence.	Gross Weight.		Tare.	NET WEIGHTS.											
			T.	C.	Q.	C.	Q.	T.	C.	Q.	T.	C.	Q.	T.	C.	Q.	

The names of the merchants for whom this service is performed are written at the head of the columns for the net weights; and the names and addresses of the purchasers in the spaces allotted for them. The entries are numbered consecutively, and reference thereto is given on the tickets supplied by the merchants, and filled up by the Company's machine clerks for the public.

Books of tickets, type numbered with perforated counterparts, are provided by the Company for special weighings of traffic carried at station to station rates, and other goods. A small charge is made for weighing, the amount being entered on the face of the tickets issued and counterparts thereof, and accounted for through "extras," by the Goods department.

STORES DEPARTMENT.

115. This is sometimes called the *Commercial* arm of the Railway Service, this title being assigned to it because it is the principal and sometimes the only department upon which devolves the duty of purchasing materials, fuel, general stores and other Railway requisites, and of issuing the same to the consuming departments.

It rests, therefore, with the chief Stores Superintendent to take note of the "wants" of the various departments, and to ascertain the channels through which they may be most efficiently, expeditiously, and economically supplied.

The terms and conditions of all contracts relating to the purchase of stores are drafted by him, and specifications prepared according to requirements, samples or patterns exhibited, and tenders received.

The Superintendent also negotiates the sale of old materials, &c., for which the consuming departments have no further use, and prepares the accounts for the same.

In these and other matters of which he has charge, the chief Superintendent acts under the direction of, and is responsible to the General Stores Committee of the Board, by whom tenders are opened and contracts let.

Records of accepted contract prices, quantities, &c., having been checked by the Directors, the Superintendent issues the necessary orders to contractors, sees that the terms of contracts are faithfully observed, and that goods supplied correspond

with the invoice particulars, and are properly distributed or put into stock.

When it is pointed out that the *ordinary* payments for fuel, materials and stores on each of our principal Railways amount to from one and a quarter to two or three millions sterling per annum, it will be rightly inferred that the Superintendent of the Stores department is a busy man, and that in controlling the working expenses of a Railway much depends upon his acquaintance with sources of supply, cost, and current quotations, as also upon his astuteness in watching the tendency of the markets, and of political and commercial events at home and abroad, by which prices may be influenced.

From morning to night he is frequently beleaguered by suppliers of stores of every conceivable kind, and it is sometimes amusing to see with what persistency vendors of articles which the Stores Superintendent does *not* want, push their wares under his notice, apparently without the slightest concern for their own time or for that of the Superintendent.

There is probably no more troublesome and time-killing individual than the inventor who has "something of great interest and value to shew, which is certain to supersede the article at present in use." This may turn out to be a "new and improved patent mouse-trap, so constructed that it will *positively exterminate* the vermin that cause so much trouble in the warehouses of Railway Companies"—a result to be desired, no doubt, but rather annoying if forced upon the Superintendent's attention at a time when he is considering the terms of contracts for one or two hundred thousand tons of coal, or ten thousand tons of rails.

When it is known that a Railway Company uses certain classes of goods of which there may be scores of manufacturers, most of these will probably consider it their duty to submit as

many samples as there are months in the year, without any regard for notices as to periods when contracts are let, and it is astonishing what a number of these samples are "*really the best and cheapest in the market!*"

For instance, a sample of soft soap recently submitted to the Superintendent would "go further, cleanse more effectually, and be found cheaper than any other kind."

It was duly passed through that indispensable auxiliary of the "Stores," *viz.*, the laboratory, and found to contain about half the usual quantity of fatty matter, the difference consisting mainly of water!

Such cases are common, and oils, colours, india-rubber, and other articles capable of free adulteration, often give much trouble.

It is found, for example, that samples of olive oil submitted with tenders and represented as "*genuine*," frequently contain free fatty acids varying from ten to twenty-five per cent.

A "very fine specimen" of colza oil, declared to be "the very finest rape oil, crushed from selected seed under personal supervision," contained cotton-seed oil and rape oil in about equal proportions!

In another case a sample of purple dry oxide, "guaranteed pure," was found on analysis to contain only fifty-five per cent. of peroxide of iron, the difference being impurities, mainly chalk.

Even in the asbestos trade, an industry with which the writer is familiar, excessive competition has led to large adulteration (mainly by foreign manufacturers) of asbestos millboard with powdery materials, the chemical composition of which closely resembles that of Italian asbestos fibre, defying detection by chemical analysis or microscopic examination. Their presence is, how-

ever, highly detrimental to the strength and durability of the material; a matter of no little consequence to the Locomotive Superintendent, who uses it for cylinder, steam chest, dome, and other high-pressure steam joints.

Many other instances, not only of adulteration, but also of amusing attempts to introduce old articles under new guises, might be given, but those cited will serve to shew that even in the lighter items of consumption, Railway Companies may suffer heavy loss unless the most careful attention be paid to matters of detail.

Heavier goods such as rails, wheels, tyres, springs, &c., required by the civil and mechanical engineering departments, are, as a rule, tested by those departments; Inspectors being sent to the works of contractors to examine the method of manufacture and carry out tests in accordance with specifications.

Coming now more nearly to matters of account, we shall notice the methods of checking and recording Purchases, Issues, Sales and Stock.

116. Purchases.—For convenience of storage and distribution, the Stores department is divided into four or more principal sections, *viz.*: (1) Locomotive and Carriage department stores; (2) Traffic department stores, including (*a*) Provender stores and (*b*) Clothing stores; (3) Way and Works department stores; and (4) Stationery stores.

The sections are sub-divided as required, the whole being under the control of the chief Superintendent.

For the purposes of account-keeping, the stores are classified under three general heads, *viz.* :—

(1). *Coal and Coke.*

(2). *General Stores*, including copper, brass, tin, steel, iron, timber, clothing, provender, stationery, and sundries.

- (3). *Permanent Way Stores*, including rails, chairs, sleepers, points and crossings, timber, plates, &c., spikes, and sundries.

Coal and Coke and the items comprised under the head "General Stores"—excepting articles subject to frequent fluctuations in the market price, such as copper, oil, pig iron, timber, provender, &c., and materials for relaying the permanent way—are bought under half-yearly or yearly contracts, or for longer or shorter periods as may be found expedient.

The following conditions are printed on the back of the order forms sent to tradesmen, the orders themselves being signed by the chief Superintendent, and press copied before they are sent away:—

If for stores under contract, this order is given subject to the conditions specified in the contract, which will be rigidly enforced.

If for stores not under contract, then the articles are to be supplied within a reasonable time after the order is given, and to be the best of their respective kinds, and the decision of the Company thereon shall be binding and conclusive.

Any article found to be inferior in quality, in any manner defective, or to exceed the order given, will be rejected and returned to the sender at his own risk and expense.

No charge will be allowed for packages, but due care will be taken to return them promptly.

A priced invoice, bearing the order number, must be sent to Mr....., General Stores Superintendent, *with each delivery* of goods, and in addition, a monthly account in detail, showing quantity, rate, and amount, as previously given on the invoices, must be sent so as to reach him by the 4th of each month, or delay in the payment will take place.

N.B.—The Company reserve to themselves the right to refuse payment for any goods that have not been ordered on this form.

A note shewing whether the costs of the goods are to be charged to "Stock" or direct to the consuming department, is made on perforated counterparts of the orders; the counterparts being torn off after the press copies have been taken, and before the orders are dispatched.

The details are then copied into "Office Order Books," a separate account shewing the order number, date, and particulars of goods ordered being kept with each tradesman. The date, quantity, or weight of goods received is written up from the invoices.

Goods received at the respective Stores are examined as to condition, counted or weighed, and entered in "Goods Received Books"; copies of the entries being sent daily by the foremen to the chief Superintendent's office, where they are compared with the invoices, which are marked with a reference to the "Goods Received Book."

The Stores examiners are not allowed in any case to have access to the invoices; but after these have been checked as to quantities, contract prices, and calculations, copies are furnished, in books for this purpose, for the guidance of the Superintendent's assistants in pricing out goods issued to the consuming departments.

If the articles are for "Stock," a remark to this effect is made against the entries in the books just referred to, and tickets, shewing from whom received, description of goods, and price (in cypher) are attached to the articles.

In each department of Stores a "Want Book" is kept, in which anything required but not in stock is entered daily.

Colliery advices of coal sent direct to the stations required for locomotive purposes, are entered and forwarded to the various stations for certification. The weights shewn by the advices are frequently and at uncertain intervals tested at the stations on delivery, the results being shewn on the advices in red ink. An opinion is thus formed as to the correctness or otherwise of the whole account. When certified, the advices are returned to the Stores department and checked with the monthly accounts rendered by the colliery proprietors.

At the end of each month all invoices are called over with the tradesmen's monthly accounts, entered in Day Books or "**Invoice Journals**," and posted therefrom to the debit of the respective stock accounts in the "**Stock Ledgers**." (*See opposite page.*)

A list of the accounts is then made, certified by the Superintendent, and submitted to the Stores Committee of Directors for approval and signature. The accounts and lists are then sent to the Accountant of the Company to be examined and entered for payment (367). The lists and accounts shew how the items are to be classified; that is to say, how much is for "Coal and Coke," "General Stores," and "Permanent Way Stock," respectively. A copy of these lists, together with a record of discounts deducted from the accounts, is kept by the Stores department.

117. Issues.—No materials or stores of any kind are issued except under requisition signed by responsible heads of departments, or, in the case of the Traffic department, by the station-master or agent, and countersigned by the General Manager. Stations apply for stores monthly, and shew upon their requisitions quantity on hand, date and quantity of last supply, and quantity required.

The demands are checked, frequently reduced, and recorded in detail against each station in order to compare the supplies of one period with those of another, and enable the General Manager to keep watch on the consumption.

From these requisitions the Stores porters get out the goods and the clerks make out the delivery notes, the latter shewing articles sent, quantity, rate, and value.

A press copy of the delivery notes is taken in an "Issue Book," but the money portions are torn off before they are sent out. On receipt of the goods the notes are sent back duly certified.

An exception to this rule is made in the case of *stationery* supplied to the Traffic department. In this instance delivery notes are not sent, but after the supplies have been recorded, the original requisitions are stamped as follows, and forwarded to the stations:—

The above goods have been forwarded, per _____ in _____.
This requisition is not to be returned to Stores department unless the goods are not to hand.

The Traffic department is charged with the gross monthly purchases for that department, and not for detailed supplies to stations. This saves a great amount of labour, while the same practical results are obtained without the risks of misuse that might attend the same system if applied to the issue of miscellaneous stores. Any small variations in the stock are adjusted half-yearly or yearly.

With regard to the *principal* consuming departments, *viz.*:—Locomotive, Carriage, and Way and Works; detailed price lists of supplies are sent to them daily, in addition to the delivery notes, to enable them to keep a proper check upon the items and classify the expenses.

The press copies of the delivery notes are checked every week, and the amounts entered in "Issue Summary Books," a separate book being used for each consuming department. From these books the respective stock accounts in the "Stock Ledgers" are *credited*, the *debits* to which accounts consist of the amounts of the tradesmen's accounts, as we have seen, and of the value of materials taken back into stock from the Way and Works and other departments, as explained farther on.

From the Issue Summary Books, a "Statement of Stores Issued," is made up every week for the Accountant's use (382).

This shews the total invoice values of all materials and stores issued during the week, less credits for old materials, &c., returned to Stores, and states to which departments of expenditure the net amounts are chargeable. Before being sent to the Accountant, this statement is signed by the Stores Superintendent, and the items relating to the Locomotive and Carriage department are also checked and certified by the Superintendent of the latter department.

In the case of coal for locomotive purposes, the Stores department, after ascertaining that the amounts are correct, charges out, in the statements of issues, the *actual monthly purchases* to a separate account, called in the Accountant's books, "Coal and Coke Stock Account," and so far as the Stores department is concerned, there is an end of the matter. (See 128 and 382.)

We may here point out that all stores are necessarily charged to the consuming departments, and credited to the Stores department, through the weekly statements of issues *without deducting cash discounts*, while the *net* amounts only of the accounts passed for payment are debited against the Stores department by the Accountant. The discounts, therefore, have to be dealt with separately at the end of each half-year, when the items are classified, and a summary prepared for the Accountant shewing the amount for which each department requires credit; the *total* being carried to the debit of stores purchases in the Accountant's books.

118. Sales.—Contracts for the sale of old materials and stores are usually let at the time the yearly contracts for the purchase of new materials, &c., are settled, or as favourable opportunities arise; the prices agreed upon being similarly registered and passed by the Directors in each case. Old materials returned to the Stores department are accompanied by advices, and are re-weighed and checked before being sent to purchasing contractors.

RAILWAY.
STORES DEPARTMENT. GENERAL SUMMARY.

Cash Purchases, and Materials Received from Way and Works Department.			Classification as per Stock Ledgers.																										
Accounts passed for Payment.			Coal and Coke Stock.			General Stores.										Permanent Way Stores.												Grand Total.	
Date.	List No.		Coal and Coke Stock.	General Stores.	Permanent Way Stores.	Grand Total.	Coal and Coke.	Copper.	Brass.	Tin.	Steel.	Iron.	Timber.	Clothing.	Providence.	Stationery.	Sundries.	Total.	Rails.	Chairs.	Sleepers.	Points, &c.	Timber.	Fish Plates.	Spikes.	Sundries.	Total.	Grand Total.	
19 June 27	1561		250	500	400	1150	250	20	25	15	80	100	50	30	20	20	150	510	150	50	50	30	20	50	20	20	60	403	1,163
	Discounts. From W. & W. }			10	3	13																							
	Debits.		250	510	603	1363	250	20	25	15	80	100	50	30	20	20	150	510	250	80	55	30	65	35	25		603	1,363	
	Credits.*		250	420	450	1120	250	15	20	12	60	90	45	20	17	15	126	420	200	60	40	20	50	20	15	45	450	1,120	
	Book Stock †			90	153	243		5	5	3	20	10	5	10	3	5	24	90	50	20	15	10	15	15	10	18	153	243	

* N.B.—A similar book is kept for the Totals of the Stores Issues, or "Credits," and the amount is deducted, as above, at the end of each half-year.

† These balances are compared and agreed with the balances shewn in the Accountant's General Ledgers.

As previously stated, their value is deducted from the weekly debits to the departments for stores issued ; except in the case of materials returned to the Stores department by the Way and Works department, when the value is accepted by the "Stores" as a debit, and treated as a cash purchase. A monthly abstract of these items is furnished to the Accountant by the Way and Works department, to enable him to credit the proper accounts in his books, the total being debited against "Stores." (See 123 and 383.) After being copied into a "Credit Journal" and posted to the debit of purchasers, the invoices for materials sold are sent to the Accountant with a corresponding list (made in the "Stores Department Credits Book") to be entered in his books, and forwarded to the parties concerned (393).

The value of materials sent back to Stores is worked out on the departmental delivery notes, entered on the credit side of the Issue Summary Books, and posted thence to the *debit* of the several stock accounts in the Stock Ledgers.

On the other hand, *sales* are posted from the "Credit Journal" to the *credit* side of the Stock Ledgers at the end of each month.

119. Carriage of Stores.—Traffic department accounts for the carriage of stores are examined in detail, and when necessary, compared with the conditions of purchase or sale ; any items payable by contractors, or otherwise incorrect, being disallowed. It is shewn in the section dealing with the Accountant's department (322) how these charges are cleared.

120. Stock.—A detailed valuation of the stock of stores is made periodically and compared with the balances shewn by the Stock Ledgers, the book stock being adjusted to the actual by "debit" or "credit" entries, and the differences, after being submitted to the Accountant, allowed or charged to the departments concerned, supplementary returns being furnished to the Accountant for this purpose.

The books and inventories of materials and stores are checked with the actual stock by the Accountant's staff.

The Stock Ledger totals are carried weekly to general summaries of the purchases, issues, &c., as shewn by the example, and these are totalled and balanced at the end of each half-year with the Accountant's books.

The *administration* expenses of the Stores department are apportioned to the various consuming departments at the end of each half-year (386).

WAY AND WORKS DEPARTMENT.

121. The Way and Works Department has charge of the Construction and Maintenance of the Railway, Works, and Buildings.

In connection with *Construction*, the Engineer-in-Chief conducts surveys, prepares plans, sections, &c., estimates of cost, and takes such steps as may be necessary for compliance with the Standing Orders of Parliament, so far as they relate to his department and to the depositing of Bills, plans, &c., in the private Bill office of the Houses of Parliament.

The Engineer is frequently a principal witness before Parliamentary Committees in support of Bills promoted by his Company, and upon his evidence the fate of Bills often depends.

His responsibilities, however, become more apparent after the Bills have received Royal assent, and he has been authorised to proceed with the works. His grasp of the principles of Engineering science and practical knowledge of details are then called into action; and from the preparation of the working plans and specifications to the opening of the Railway for traffic he has often to contend with difficulties and Engineering problems which demand ability of the first order to solve.

Indeed, his anxieties do not end with the opening of the Railway. The works are then put to the test of constant use, which, combined with varying temperature and atmospheric changes, may be expected to try their stability to the utmost, and determine the value of the principles of construction adopted.

The *maintenance*, therefore, of the Railway in a state of

efficiency requires unceasing watchfulness on the part of the Engineer.

The expenditure of his department is under his control; but as a rule, no contracts are let, either for construction or repairs, except by the Directors' Committee; and new works involving outlay on Capital account are not undertaken without being submitted, after passing the Committee, to the Board of Directors for approval, such approval being signified in each case by a properly recorded minute.

In discharging the duties of his department, the chief Engineer has, in addition to his staff at head quarters, the assistance of Engineers of divisions, Superintendents of districts, Clerks of works, Inspectors of circuits, and Gangers of lengths.

The gangs each consist of from 3 to 6 men, who, under the supervision of the Gangers (or foremen) and Inspectors (the latter receiving their instructions from the Superintendents or Divisional Engineers), do the ordinary daily repairs necessary on their respective lengths, and in the sidings and yards connected therewith. These are known as the "straight road men."

Several larger gangs are employed in re-laying, and extra works, and go from place to place as required. These are known as the "re-laying gangs."

The mode of recording the time worked, and materials used in connection with these operations, will be best explained under the following heads, *viz.*:—(1) Wages; (2) Materials; (3) Accounts.

122. Wages.—Every ganger, timekeeper, or foreman of smiths, carpenters, fitters, masons, &c., is provided with two time-books (one for each alternate week) in which to enter, daily, the time worked by himself and the men under him.

In doing this he is required to observe the following instructions, printed inside the cover of his book:—

- 1.—Alternate books must be used for alternate weeks.
- 2.—All time made in each week, including horse hire, to be entered in the book for that week, and in no case must the time be returned on slips of paper.
- 3.—The Christian and Surname of each man must be written in full.
- 4.—When a man works under two or more Gangers in one week, each Ganger must enter the time made under him *only, and not that made under any other Ganger.*
- 5.—The Ganger must take care this book is not lost or destroyed.
- 6.—This book must be made up and sent in to the Inspector on Thursday afternoons.

The Inspectors' books are made up from the Gangers' books in accordance with the following instructions. They shew the time, rate, and amount due to each man, and the total amount payable at each station in the respective circuits of the Inspectors, by whom they are certified, and sent with the corresponding Gangers' books, to the Superintendent of the district to which they belong, to be examined, summarized, certified, and forwarded by him to headquarters for the pay bills to be prepared.

ENGINEER'S DEPARTMENT.

INSTRUCTIONS FOR INSPECTORS.

In making up the Time Books, strict attention must be paid to the following directions:—

The Christian and Surname of each man must be written in full, and whenever two or more men of the same Christian and Surname are entered to be paid, a distinction must be made so as to ensure each having his proper wages, and these must be described as *No. 1, 2, 3, or 4, &c., and Senior or Junior.*

No man must be entered to be paid at more than one Station in the week, and that Station must be on the district he belongs to.

No man must be allowed to receive the wages of a fellow-workman.

Alternate Gangers' books to be used same as Inspectors' books; the Gangers' books to be sent to me each week with the corresponding Inspectors' books; and these will be duly returned with the Inspectors' books.

All time entered in these books must appear in the Gangers' books. All errors or remarks in the Gangers' books must be noted by the Inspector in *Red Ink only.*

Wages must not be paid in the Company's time.

Inspectors must insert the Rent against each man in the column provided for that purpose.

All Piece or Contract work must appear as such in the Time books.

All the works executed during the Week must be correctly divided one from the other, and the amount of each shown in the money column provided for that purpose; so that the Superintendent of the District may arrange the several sums in a summary at the end of each week in the order of the following list:—

1. PERMANENT WAY; including Drains, Water Courses, Repairs of Tools and Siding Stops.
2. POINTS AND CROSSINGS; including Smiths' Work, and the necessary tools.
3. TURNABLES; ditto ditto ditto
4. SIGNALS AND SIGNAL LAMPS; ditto
5. FENCES AND GATES, AND FENCE DITCHES; ditto
6. SLIPS; ditto
7. BRIDGES, CULVERTS, TUNNELS, AND OTHER MASONRY; ditto
8. APPROACH ROADS AND STATION YARDS; { Including Metalling, Scraping,
Cleaning, removal of Refuse from
all Roads, Yards, and Wharves,
and all Tools and Implements.
9. BALLASTING; including the Ballasting at Relaying (Boxing up) ditto

REPAIRS OF LINE AND WORKS.

10. REPAIRS OF STATION BUILDINGS, PLATFORMS, AND CRANES.
11. ALTERATIONS OF STATIONS; including Alteration and Extensions of existing Works.
12. ENGINEERING OFFICE EXPENSES.
13. REPAIRS OF RENTAL PROPERTY.

MAINTENANCE OF WAY.

14. RENEWAL OF WAY; { Including Relaying Permanent Way, and beating up
and finishing off the same; Loading and Unloading
all Materials. (*State each work separately.*)
15. NEW WORKS; (*To be accurately described.*)
16. WORKS FOR OTHER DEPARTMENTS; state the kind of work and the locality.
17. WORKS FOR OTHER PERSONS; ditto ditto ditto

Inspectors may subdivide their entries to any extent they choose, providing they shew the total amount chargeable to each of the above general divisions.

Signed, _____

ENGINEER.

The time made and amounts earned by each man on the various works during the week, as shewn by the Inspectors' books, are transferred to Pay-bills in the chief Engineer's office. Ordinary time, overtime, Sunday work, and services for

other departments are shewn separately, and the total amounts of the bills are agreed with the Inspectors' books after adding to or deducting from the latter errors in time or calculation.

After club, rents, or fines have been entered in the Pay-bills under the head of "stoppages," the totals for each station are carried to a general summary, which is sent with the bills to the Accountant to be examined and dealt with by his department (370).

It may, however, be mentioned here that the arrangements are such as to admit of wages earned up to, say Thursday evening, being transmitted to, and paid at, every station on the line by the following Wednesday. This applies to all departments.

When men in the Way and Works department are to be paid off, and the money is required before the usual pay day, an advice is sent by the district Superintendent to the Engineer, by whom an authority is issued to the chief district Cashier to advance the amount required out of his floating cash balance, such authority being countersigned for the Accountant.

Money so paid is entered on the pay bills for the following week, and marked "paid off," and is refunded to the cashier, the men's signatures having been previously taken on special bills.

Immediately after the bills have been made up in the Engineer's office, the details of the time entered in the Gangers' books are carefully examined, and compared with the Inspectors' books, any differences found being enquired into, and corrected in the following week. In the event of any serious discrepancy, the pay entered on the bills for the current week would, of course, be intercepted. The books are then returned.

A classified abstract of the week's wages expenditure is afterwards made up for the Accountant, and shews the amounts chargeable under the following heads:—

(1). Maintenance—

(a) Office expenses.

(b) Repairs, &c., of Way.

(c) Repairs of Roads, Bridges, Signals, &c.

(d) Repairs and Alterations of Stations and Buildings.

(e) Maintenance of Canals.

(f) Repairs of Company's Houses.

(2). General Charges—

Repairs, &c., of Telegraphs.

(3). Permanent Way Stock Account—

Labour cost of Creosoting Sleepers.

(4). Personal Accounts—

Sidings, &c., for sundry parties, the cost of which is re-chargeable. Full particulars are given.

(5). Capital—

New works chargeable to Capital account. Full particulars of each item, and the numbers of the Directors' Minutes authorizing the outlay are given.

(6). Total—

As per pay-bills.

It frequently happens that in foggy weather and other times platelayers are employed in fog signalling, &c., for the Traffic department. In such cases weekly returns of the time are sent by the Station Masters to the Engineer and Traffic Superintendent. These are checked with the Inspectors' books, and accounts are rendered to the Traffic department for the expenditure incurred.

123. Materials.—The requisitions for materials and stores are prepared by the Superintendents, examined by the Divisional Engineers, and recorded in detail in "Requisition Books" at the head offices.

The original requisitions, which, in addition to other particulars, shew for what purposes the materials are required, are then sent to the Stores department, and the materials are forwarded direct to the localities named.

The daily returns of supplies (made up by the Stores department, and previously referred to) are checked with the requisition books; in which are entered, from certified advices as these come to hand from the Superintendents, the dates and quantities received.

The advices are then sent to the Stores Department. Advices not duly received are applied for.

From the requisition books and daily returns, weekly classified abstracts are made up for the Accountant. These agree, in total, with the amount debited against the Way and Works department through the weekly statements of materials and stores issued (made up by the Stores department), and shew how such amount is chargeable (385).

Permanent way materials supplied for maintenance or renewal purposes, also signal materials, being generally ordered in advance of actual requirements, are charged respectively to "Permanent Way," "Signal" and "Telegraph" Stock accounts. But materials supplied to contractors for the construction of new lines, also miscellaneous stores, such as stone, bricks, lime, timber, fencing materials, &c., &c., required for maintenance or other purposes, are charged direct to Revenue, Capital, or Personal accounts, as the case may be; the classification of the expenditure being similar to that for wages.

Records of materials used out of "Stock" are kept by the Inspectors and Superintendents, and returns thereof are furnished to the Engineer monthly. A monthly stock credit statement, shewing particulars of all materials used, together with the accounts chargeable therewith, is made up from these returns for the Accountant.

Similar accounts are kept and returns rendered in the cases of "Signal" and "Telegraph" Stock.

On the other hand, all permanent way materials taken up or "produced," are accounted for as *debits* to "Stock," and a monthly statement of these, also, shewing what branches of expenditure require credit, is furnished to the Accountant.

Materials for which the Engineer's department has no further use, are sent back to the General Stores department, and advices thereof sent daily to the Engineer by the District Superintendents. These advices are checked with a monthly return of materials received, furnished to the Engineer by the Stores department, and a statement shewing what accounts require credit is made up therefrom for the Accountant. These statements of materials for the Accountant's use are designated respectively: (1) *Materials used*; (2) *Materials produced*; and (3) *Materials sent to Stores* (383).

All materials are charged out at average prices, and the details posted into Stock Ledgers. The book stock is balanced with the Accountant's figures, and adjusted to the actual, every half-year; a detailed valuation, certified by the Engineer, being submitted to the Accountant and checked by his staff before the adjustment entries are made.

No person is allowed to remove materials from the Company's property without a written order from the District Superintendent to the station-master or agent to permit such material to pass.

124. Accounts.—Tradesmen executing orders for repairs, &c., are required, except in the case of works capable of measurement, to send to the clerks of works a weekly return detailing the materials supplied each day, workmen's names, trade, on what work employed, and time occupied, and stating whether the orders have been completed or not. After being checked and certified by the clerks of works, the returns are forwarded by the latter to the Engineer.

Tradesmen's accounts, except for contract work, are rendered monthly, and, as a rule, include charges for finished work only. They are certified by the clerks of works, and checked as to quantities and time in the Engineer's office with the above returns, the prices also being examined with the accepted schedules, and the calculations checked. The tradesmen are advised of alterations or deductions.

Repairs, painting, &c., capable of measurement, are measured up when completed by the clerks of works, who certify the accounts.

All orders issued to tradesmen to execute repairs, &c., are numbered and marked off as soon as the work is finished and accounts for the same have been passed.

Certificates for payment on account of contract work are signed by the Engineer, monthly, or as the work progresses. Each certificate is marked with the number of the Directors' minute authorizing the outlay; and when the work has been completed, and the final account rendered, the whole is measured up or otherwise checked.

A note having been made at the foot of the accounts shewing to which branch of expenditure they are chargeable, they are compared with the previous accounts (copies being kept for this purpose), entered in a list certified by the Engineer, submitted to the Directors, and, if approved, passed for payment (367).

Certificates on account of construction contracts are entered on separate lists and passed for payment by the Directors' General Purposes Committee. The quantities, &c., are measured up monthly, or as often as necessary, by the resident Engineers.

Detailed abstracts of the expenditure in connection with the maintenance and renewal of each branch, inclusive of wages, materials, and accounts, are kept by the Engineer's department for purposes of comparison.

Records are also kept of all work done (including wages and material supplied) for other Railway Companies, private firms, &c. Accounts for expenditure of this nature, also for old building materials, &c., sold, are prepared and sent to the Accountant, with a monthly list thereof, in the "Way and Works Department Credits Book."

It is a duty of the Accountant's Inspectors to see that these accounts are duly rendered; that charges to Capital account are correctly worked up, and that fair average prices only are charged for materials used. They also see from time to time that the accounts for the carriage of materials over the line are subject to proper examination, and that the material carried by ballast trains is such as ought to be carried by those trains only. They compare the Gangers' time books with Inspectors' time books, and apply such tests as may seem desirable to prove their accuracy, and attend, at uncertain intervals, at the pay-tables to see that the men are properly identified. These remarks apply more or less to *all* departments.

LOCOMOTIVE AND CARRIAGE AND WAGON DEPARTMENT.*

125.—The Superintendent of this department, or Mechanical Engineer, supervises all matters in connection with the designing, purchase or erection, repairing and re-building of the Company's Working Stock, and sees that it is maintained "in good working order and condition."

He also causes such repairs as may be necessary, to be done to working stock belonging to other Companies or private traders, that becomes crippled while passing over his Company's line, and charges the owners with the cost.

He has the oversight of the gas and weighing machine departments, attends to the water supplies, sees that hoists, cranes, hydraulic and other machinery are kept in proper repair, and that the fire brigade and break-down appliances are kept constantly available for action.

These matters, of course, on a Railway of magnitude, necessitate the employment of large bodies of workmen, and the control of these, with due regard to the welfare of the men and interests of the Company, requires tact and judgment.

There is probably no more interesting sight in any department of the Railway, than that of thousands of workmen, immediately after the steam time-gong has sounded on pay-day, emerging from the central Locomotive and Carriage erecting and

* On the principal Railways, where the Locomotive Works are very extensive, the Carriage and Wagon Stock is placed under separate superintendence.

repairing shops, and making their way to the pay-tables to receive their week's earnings in numbered boxes as rapidly as they can pass in single file; and a considerate Chief must feel much satisfaction when he sees on such occasions that his efforts to regulate the relations of employers and employed meet with contented and sympathetic response.

It is of great public importance that all sections of Railway work should be carried on with as little disarrangement as possible, and in no department is this of more consequence than in the one that supplies the motive power.

Another matter relative to the staff of this department demanding constant attention, is the selection of enginemen and firemen. Block telegraphs may be carefully operated, points and signals interlocked, permanent way perfect, guards watchful; but if the engineman fails to close the regulator at the right moment, direful consequences may follow. Fallibility in the signalman is in part counteracted by the electrical and mechanical contrivances referred to; but no mechanism will shut off steam in obedience to a danger signal, if the engine-driver fails to do so.

It is, therefore, an important part of the Locomotive Superintendent's duties to satisfy himself that these men are carefully selected and properly trained for their work.

He causes records to be kept of engine and train mileage, time worked, materials used, and expenses incurred in the operations of his department, and provides for such subdivision of costs as may be required.

While he is responsible for the expenses, outlays of considerable amount other than for ordinary working and maintenance, are not as a rule undertaken without the sanction of the Directors' Locomotive Committee; and expenditure on Capital account cannot be incurred, except that authorized by the Board.

We will first describe the system of taking the time in connection with the working and repairing of engines, &c., including day and piece-work and the preparation of the pay-bills, dealing next with materials, accounts for payment, costs, &c.

The system of checking the time of the men engaged in the carriage and wagon repairing shops being practically the same as in the repairing engines department, this need not be separately referred to.

126. Wages.—(a) *Day-work.*—Every engineman and fireman is required to sign his name and enter the exact time in a book when going on or off duty, stating in the entry the due time of the train, and the number of the engine.

These particulars, together with the total number of hours on duty and miles run, are copied into Day-books by the locomotive foremen, or their clerks.

The time of all other workmen—cleaners, steam-risers, fitters, smiths, labourers, &c.—at the principal out-stations, is made up from the working of their checks or dominoes.

These checks—which bear the men's registered numbers—are deposited in the time-office by the workmen on entering, and are returned to them on leaving the premises, morning, noon, and night; the time being entered up in the "check" and time-books by the clerks during working hours.

At the end of the week the time worked by each man is transferred to time-sheets, which also shew the rate. Pay-bills are then prepared, certified by the locomotive foreman, and together with the time-sheets, sent to head-quarters, any allowances for lodging expenses being also certified and added to the wages.

Clerks are occasionally sent to out-stations by the Superintendent for the purpose of checking the time-sheets with the books.

The time made by gas and weighing-machine men temporarily working at out-stations is certified by the locomotive foremen or station-masters.

At the central erecting and repairing shops, the following regulations are strictly enforced:—

REPAIRING ENGINES DEPARTMENT.

- 1.—Workmen are required to enter the works by the time-office entrance only, and to leave the works by the time-office departure gate, and any workman entering or leaving the premises by any other than the appointed way, will be liable to dismissal.
- 2.—A Check must be deposited by each workman at 6.0 a.m., 9.0 a.m., and 2.0 p.m., before commencing work. The time-office will be open 15 minutes, and the bell rung 5 minutes before each time of commencing work, and the time-office window will be closed immediately the steam whistle has ceased sounding; but workmen may enter from 6.10 a.m. to 6.15 a.m., for which half-an-hour will be deducted from their time. During meal hours the workmen must leave the workshops; and all workmen taking their meals in the mess-rooms will have to pass through the time-office entrance before commencing work again.

Time will only be entered to those workmen whose checks have been deposited *at the proper time*.
- 3.—Workmen must not put into the time-office any other check than their own.

The deposited checks are recorded during working hours on time-sheets, and these at the end of the week are made up and sent to the Superintendent's office.

As a test, however, of the accuracy of the time entered, and in order that the labour costs may be properly charged out, *shop time-sheets* are also used.

These are filled up by the shop foremen, who enter the time the men are employed on each discription of work during the day, and send the sheets at the end of the week to the Superintendent's office.

The time entered is there compared with the gate time-sheets, and any discrepancies are enquired into, and cleared up before the pay-bills are prepared. The shop sheets are afterwards moneyed out and balanced with the total of the pay-bills.

The entries in the pay-bills are classified, as far as possible, according to occupation, and a summary made at the foot of each, shewing, for the information of the Accountant, how much is for working engines, repairs, and renewal of engines, &c., respectively.

After sick allowances as per surgeons' certificates, and stoppages for rent, club, fines, &c., have been entered, the totals for the central works and each station are carried to an abstract as under, which is also totalled and sent with the bills, after being certified by the Superintendent and press-copied, to the Accountant (370).

LOCOMOTIVE DEPARTMENT.—ABSTRACT OF PAY-BILLS

FROM _____ 19 —. TO _____ 19 ____.

Both days inclusive.

STATION.	Total Corresponding Week of previous year.	Working Engines.	Repairs and Renewals of Engines.	Gas Works.	Gas Fitters.	TOTAL.	Sick Allowance.	STOPPAGES.			
								Club.	Rents.	Fines.	Assurance.
£	£	£	£	£	£	£	£	£	£	£	£

(b) *Piece-work*.—The wages of all men in the repairing engines department are calculated and paid in the first instance on actual time worked; and the amounts earned by those on piece-work in excess of their day-work pay are added to their wages for the following week.

The rates for piece-work are fixed from time to time by the Superintendent and works manager, and lists thereof are given to the shop foremen.

At the end of the week, the head of each piece-work gang makes a written statement of the work done by himself and co-workers during the week, inserts the rates, amounts earned, and wages received on account.

These statements, or "Piece-work Sheets," are checked and certified by the shop foremen and piece-work clerks, who visit each gang as frequently as is necessary to enable them to do this.

The sheets are then handed in to the Superintendent's office, where the rates and calculations are checked, and the entries for wages compared with the amounts entered on the pay-bills. The balances are then inserted and divided *pro rata*—according to work done; the amount due to each man being, as stated above, added to his wages for the following week.

In those cases in which piece-work jobs occupy several weeks, or when for any reason the work cannot be at once balanced off, the wages paid on account are posted into Ledgers, the balance due being divided when the work is completed.

Records are kept shewing the per-centage of money earned above the ordinary weekly wages.

All piece-work calculations are checked, and payments on account and balances compared with the pay-bills by the Accountant's staff weekly.

The wages of men in the central erecting and repairing shops are paid on the domino system; others are required, as a rule, to sign for their wages on the pay-sheets.

Foremen have authority to discharge or engage workmen in urgent cases, but not to increase the staff or vary the rates of pay without the consent of the Superintendent, to whom weekly advices of alterations or recommendations are sent for approval.

127. Material.—The daily priced lists of materials supplied by the General Stores (or purchasing) department before referred to, are compared with advices of materials received, and then entered in a Stores Expenditure Classification Book as below, the totals of which are balanced weekly with the statements of stores issued, furnished to the Accountant by the Stores department (117).

LOCOMOTIVE STORES CLASSIFICATION BOOK.

Date.	STATION.	WORKING ENGINES.					REPAIRING ENGINES.					Gas Department.	Stationery.	Grand Total.
		Oil.	Tallow.	Waste.	Sundries.	Total.	Copper.	Bra s.	Steel.	Iron.	Sundries.			
		£	£	£	£	£	£	£	£	£	£	£	£	£

Locomotive and Carriage department stores are kept as far as possible under the supervision of locomotive and carriage stores foremen at the central works, and materials cannot be obtained therefrom without a written order, on a printed form, signed by the works manager or foreman of the shop, or station, requiring the same. The order must also state for what purposes the stores are required.

Detailed statements of issues are sent by the stores foremen to the chief office, where they are priced out, and such of the items as require to be so dealt with, posted into Cost Ledgers.

In numerous instances, of course, materials are sent by the Purchasing department direct to stations without passing through the central Stores. Effective control over consumption is, however, exercised by the Chief of the department, by means of the daily priced lists of materials supplied, as also by various other detailed and classified statements, which are made up from returns obtained from stations and other sources, bearing on coal and materials consumed by engines, mileage and duty performed, mileage and tonnage costs, &c., &c.

128. Coal.—Coal is weighed out to engines requiring it at stations where it is stacked, and returns thereof are sent to the Superintendent.

A weekly statement, shewing the total weight issued, and the cost (calculated at average rates), is sent to the Accountant, by whom the amount is transferred from the Coal and Coke Stock Account before mentioned, to the debit of Locomotive

department expenditure in connection with the working of engines (382).

Stocks of coal and other stores in the Locomotive department are taken half-yearly, a certified valuation thereof being furnished to the Accountant, and checked by his staff.

129. Accounts.—As nearly all stores and materials are bought by the General Stores department, there are comparatively few accounts to be passed for payment by the Locomotive department, otherwise than for occasional purchases of working stock, gas, water, repairs, &c.

Gas and water bills are checked by the meter readings, returns of which are obtained from the stations.

Accounts for payment are entered in a Day-book and posted therefrom into Ledgers for reference. In doing this it is seen that the same accounts have not been previously passed.

They are then entered in a list, certified by the Superintendent, presented to the Directors' Locomotive Committee for approval, and sent to the Accountant (367).

130. Costs, &c.—A "Wages Classification Book," made up from the shop time-sheets, contains an abstract of shop work, and balances with the pay-bills.

All items for work done on Capital account, or for other departments, companies, traders, &c., are shewn separately, and posted from the wages classification book, and priced statements of materials used, into the Cost Ledgers.

Accounts are also opened in these books, and posted up in a similar way for any other work, the cost of which it is desired to ascertain, a per-centage being added to cover general expenses and superintendence.

The bills for work chargeable to Capital, other departments, Companies, &c., are next prepared, entered in Day or Invoice Books, and posted into Personal Ledgers.

They are then sent with a list (made in the "Locomotive and

Carriage Departments Credits Book") to the Accountant to be examined, entered in his books, and sent to the departments or parties concerned (393).

A "*General Expenses Book*" is also kept, containing a classified summary of the expenditure of the department.

The debits include salaries, wages, materials, stores, coal, accounts passed for payment, &c.; while the credits consist of accounts passed for collection, as shewn by the credits book mentioned above, credits for old materials returned to the General Stores department, &c.

The totals are compared and agreed with the Accountant's figures at the close of each half-year.



TRAFFIC DEPARTMENT

131.—The “**Traffic**” was described in the first section as the Revenue earning department of the Railway. The method of rendering the station returns of earnings having been fully dealt with, we shall now refer to *expenditure*. In doing this, no distinction need be made between the Coaching, Goods and Mineral departments.

132. Wages.—The following regulations refer to the preparation of the pay-bills and to the payment of wages.

Preparation of Pay-bills.—Pay-bills must be made out weekly on the forms supplied, and include all time up to Thursday evening, Thursday night-duty to be entered in the following week's bills. Great care should be taken in checking them, not only to prevent clerical errors, but also to ensure men not being paid for time other than that they have actually worked, and to accomplish this all Station Clerks and Goods Agents must see that an accurate record is kept daily of the time made by each servant of the Company under their control. The bills should be despatched so as to reach head-quarters not later than noon on Friday, and whenever practicable, should leave by the last train on Thursday night, addressed to the Goods Manager or Passenger Superintendent, as the case may be.

No addition to the authorized pay of any Servant, whether for overtime or anything else, must be entered upon the pay-bill, without the authority of the General Manager or of the Goods Manager for the Goods department, or the Passenger Superintendent for the Passenger department, being first obtained, and a reference to such authority must be given on the pay-bill on which the extra allowance is made. Such extra payments must be entered in red ink in the “Extra Pay” column of the bill.

Deductions for rents, fines, &c., must be entered in the columns set apart for that purpose, opposite the entry of the wages of the servant from which they are deducted, and the amount must be deducted from the total of the pay-bill.

Extra staff must not be engaged without the sanction of the General Manager or of the Goods Manager for the Goods department, or the Passenger Superintendent for the Passenger department, being previously obtained, unless in cases of sudden influx of traffic or real emergency, and in such cases the cause must be reported the

same day to the head of the department concerned, with the amount of extra expense likely to be incurred. On the pay-bill including such extras (which are to be entered in red ink at the foot of the bill), reference to the authority for them must be given if previously obtained, and if not, to the report made of the cause requiring them.

When a servant is placed on the staff, his wages must be entered in red ink at the foot of the bill, until the Station-Master or Agent is advised of his appointment being confirmed by the Directors, when he will be entered in black ink in the portion of the bill appropriated to the permanent staff.

The wages of the permanent staff in black ink must be added up separately, as also that of the extra payments in red ink, a total of the two being shewn, from which the deduction must be made, and then the final total given—the form at the back being filled up and the certificate signed by the Station-Master or Goods Agent.

Payment of Wages, &c.—Payment must not be made by the Clerk who has been employed in compiling the pay-bills, and where another Clerk is not at his disposal, the Agent or Station-Master must see to the payment himself. The following rules must be strictly carried out. *Each man must sign his name, or if he cannot write, affix his mark with his own hand.* In obtaining the signatures, the men must be asked the amount of cash they are to receive, and have full opportunity of seeing that the figures on the pay-bill agree with it. Wages must not be paid to other than the party to whom they are due *without a written authority from the man whose wages are so applied for*, which must be handed to and returned by the Agent or Station-Master to head-quarters with the pay-bill.

The receipted pay-bills must be returned in time to reach the Accountant by noon the following Monday, an explanation being given in all cases where the moneys are not paid, such moneys at the same time being remitted to Bank with the traffic cash. The certificate attached to the pay-bills must be properly filled up and signed before they are returned.

The same rules must be observed in cases when the wages of the men in the employ of the Way and Works, Locomotive, and Carriage and Wagon departments are paid by anyone in the Traffic department.

The same care as to payment of salaries should be taken.

Absence from Duty.—If anyone entered on the salary or wages list is unable to attend to his duties through illness, particulars must at once be reported.

On receipt at the Staff offices of the Goods and Coaching departments, the pay-bills are thoroughly examined as regards names, time, and rates; no extras being allowed unless authority for the outlay has been given.

The bills, with abstracts thereof, certified by the heads of the Traffic departments, are then handed to the Accountant, to be further examined and passed for payment (370).

The salary lists are prepared at the head offices, where detailed records of all staff appointments and alterations in duties, wages, salaries, or special allowances, are kept. Lists of proposed new appointments, transfers from temporary or "extra" to "permanent" staff, advances, reductions, &c., together with a summary shewing the net financial result of such changes, are prepared periodically: these, after examination by the General Manager, being laid before the Directors for approval.

133. Stores.—We have pointed out that all requisitions for stationery and general stores in the Traffic department are sent to the Stores department through the General Manager, by whom they are revised and frequently reduced. The supplies sanctioned are sent direct to the stations and issued to the staff by the clerks-in-charge or foremen, who are expected to see that there is no improper use or waste.

134. Accounts for Payment.—The agents and station-masters are held primarily responsible for the accuracy of accounts against the Company for cartages, boatages, drawbacks, horse-hire, wheelwrighting, shoeing, &c., &c. They check the bills with the invoices, cartage registers, and other records kept at the stations, and certify the accounts before sending them to the Goods Manager or Coaching Superintendent; the Accountant's Inspectors seeing from time to time that there is a proper system of doing this.

No accounts are passed at head-quarters except for work done at rates agreed upon from time to time with the contracting parties, nor until they have been carefully checked and compared with registers of agreements, rates or allowances authorized, and former payments.

After the accounts have been certified by or for the head of the department, they are laid before the General Manager, who examines and submits them, with accompanying lists,

to the Directors' Traffic Committee, to be passed for payment (367).

As a rule, accounts are rendered monthly.

135. General.—In order that effective supervision of expenses and traffic may be exercised, comparative statements shewing the following particulars for the current month and corresponding period of the previous year, are required by the General Manager to be sent to him from each station monthly.

I. Expenses.

(a) Salaries and Wages paid, shewing the amount, number of persons employed, in what capacity, and whether belonging to the "permanent" or "extra" staff. All new appointments, advances in the rate of pay, and particulars of extra staff employed, are fully set forth, and an explanation given of the cause of the extra outlay.

(b) Sundry expenses, so far as can be given by the agents, shewing :—

1. Personal expenses of agent, collectors, &c.
2. Cash allowances for coal.
3. Payment for horse hire.
4. Allowances to the public for cartage of carted class goods performed by themselves.
5. Allowances to carting agents for cartages.
6. Boatages, and canal tolls.
7. Cost of delivery of parcels.
8. Tram and omnibus charges and train fares.
9. Shoeing of horses.
10. Charges for veterinary surgeons, including medicines.
11. Cost of harness, repairs, and saddlery.
12. Cost of repairs to vans, &c.
13. Rent of stables and other buildings or land.
14. Sundries not specified above.

II. Traffic.

- (a) Coaching department—shewing the number of passengers booked in each class, whether local, foreign, or special, and the total amount of bookings; also the number of parcels, horses, carriages, and dogs, weight of fish, &c., and the total receipts therefrom.
- (b) Goods department—shewing the weight of carted, not carted and mineral class traffic; also the number of trucks of live stock, outward and inward, local and foreign; the gross amount represented by such traffic, and the amount taken to debit in respect thereof by the station by which the return is prepared. The amount of “extras” charged for cartages, warehouse rent, wharfage, siding rent, demurrage, &c., is also shewn.

Should there be any increase in expenses or decrease in any item of traffic, a statement of the cause is given, the station-master or agent being invited to make in these returns any other observations or suggestions which he may consider calculated to lessen expenses or increase receipts.

Various other returns respecting the working of trains and merchandise, mineral and coaching vehicles, with the object of regulating supplies, checking detentions, demurrage charges, unusual diversions of traffic, the loading of foreign wagons, &c., are furnished to the Goods Manager and Coaching Superintendent.

Detailed statements are also furnished monthly, shewing the weights, expenses, and *tonnage costs* of cartages and other terminal services.

All these statements are closely scrutinized at head-quarters, and such steps taken as seem best calculated to promote the Company's interests.

SECRETARY'S DEPARTMENT.

136.—This has been appropriately described as the principal Statutory office of the Company.

From almost the earliest days of Railways, their need of a legal representative, or recognised medium of communication between the Board of Directors and the public, has been acknowledged by Parliament; and it may be interesting to briefly notice the developments that have taken place in this respect.

Turning to an old Railway Act passed in the year 1836, which happens to be in the writer's possession, we find that the *only* officer whose duties are clearly defined is a "Book-keeper."

The clause runs :—"And be it further enacted, that the said Directors shall cause *a Book* to be kept by *a Book-keeper*, who shall be expressly appointed by the Directors for that purpose, and who shall enter or cause to be entered in the said book true and regular accounts of all sums of money received and expended for on account of the said undertaking, and of the several articles, matters, and things for which such sums of money shall have been disbursed and paid."

The same Act provides that "sufficient security" shall be taken from their Treasurer, Receiver, or Collector, for the faithful execution of his office; but it does not *direct* the appointment of such an officer, nor does it define his duties. "The Directors," it adds, "shall have full power and authority to do all acts . . . for the Management, Regulation, and Direction of the affairs . . . and may appoint all officers and servants requisite for the assistance or service of the said Company"; but no mention is made of a Secretary, and we are left to contemplate the solitary occupant of the Book-keeper's office (*and his book!*) as the only owner whose appoint-

ment was, in the wisdom of Parliament in 1836, directed by statute.

In those days, however, a sound principle underlaid the enactment, which is now universally recognized.

A Book-keeper, now better known by the more comprehensive and dignified title "Accountant," was to keep a *record* "of all sums of money received and expended," but it is not said that he was also to *have charge of the cash*.

It may therefore be assumed that this was intended to be the duty of the "Treasurer" or "Receiver," now better known in this country as the "Secretary."

In more recent enactments, the "Secretary" and "Treasurer" are frequently referred to; and although their titles and the definitions of their duties are occasionally vague, we shall probably accurately interpret legislative phraseology, and better understand the relative duties and responsibilities imposed upon these officers by Parliament, if, for "Secretary," we read *Accountant*; and for "Treasurer," *Secretary*.

It should not be overlooked that in the case of many of the smaller railways, these offices are frequently combined for economy of management, and that the Secretary not only keeps the books and takes charge of cash, but also prepares for publication the statements of account and balance sheets.

In such cases, his responsibility in financial and other matters is usually shared by one or more Directors, who are able to exercise a more immediate control over details than is possible in larger undertakings. Our main object, however, is to consider the operations of a Railway of the first importance.

One of the first functions of the Secretary, then, is to issue notices of and attend meetings of Directors and Shareholders, to prepare the agenda for the same, and take such action upon the decisions as may be requisite. He records the business, and drafts the minutes.

The Company's notices and requirements as to stores, building, construction, and other contracts, are as a rule advertised in the Secretary's name. He keeps the registers of debentures, stocks, shares, and transfers, and conducts the correspondence relating thereto.

He also keeps the cash and bills receivable books, has charge of the collection of miscellaneous accounts and rents, and is the only officer in whose name a receipt for the same may be given. He issues receipts to the stations and collectors for cash paid into bank on account of traffic, &c., and keeps the cheque and remittance books.

His department examines and certifies for payment accounts for advertising, rates and taxes upon the Company's property ; the latter a matter requiring constant vigilance and acquaintance with the laws of property and assessment, appeals involving large sums being frequently necessary.

The Secretary has charge of the Company's seals, and issues instruments of value such as debentures, stock coupons, share and transfer certificates. Sealed agreements and deeds to which his Company is a party, must bear his signature. He has charge of certificates of stock and shares held by the Company in other undertakings ; prepares and signs the cheques, interest and dividend warrants, and obtains receipts for all payments, except such as are made by stations out of traffic cash by special authority.

In the registers of debentures, stocks, and shares, the names, addresses, &c., of all persons who have subscribed capital, or hold in their own names securities representing debentures, stock, or shares of the Company, are required by Parliament to be faithfully inscribed.

Before, however, such securities can be legally issued, the sanction of Parliament must have been obtained. The amount, number, class, and rights of new shares to be issued, have also

to be determined upon by the Shareholders, various conditions being attached to the shares according to circumstances.

For example, the interest may be "cumulative," and at a fixed rate in perpetuity, ranking as a first charge on the net profits of the undertaking after providing for interest on debentures, debenture stock, money received in advance of calls, and guarantees, and presuming that pre-existent conditions are not violated.

Or, the interest may be at a fixed rate, but secondary to existing preferences, and contingent on the profits of each separate year.

Shares may be issued by the Company either with or without an option to the holder to convert them into the ordinary stock of the Company at a specified time, or new "ordinary" stock may be issued (though this is seldom done on what are known as the "heavy" lines in this country) and participate *pro rata* in the balance of profits after all prior rights have been satisfied.

In some cases "ordinary" stock is divided into two classes or "duplicated," *viz.*:—preferred ordinary and deferred ordinary, the latter taking dividend after a specified amount has been paid on the preferred.

In these preliminary matters the Secretary, of course, takes an important part; but the principal part of the labours of his department commences *after* the creation of the capital.

The allotment letters have then to be issued; notices of acceptance or renunciation recorded; notices of "calls" to be sent out; accounts of money received by the Bankers in respect thereof to be prepared; certificates of proprietorship to be issued; share and stock ledgers, address books, transfer registers to be kept, &c.

We shall refer, firstly, to those securities which rank as the *first* charge on net profits, *viz.*:—

137. Debentures and Debenture Stock.—As stated

in the introductory chapter, power to raise money by borrowing on debentures, or by issue of debenture stock, is usually granted by Parliament to the extent of one third of the authorised share capital; but this power cannot be exercised by the Company until at least one half of the share capital has been paid up, and then only by special resolution of the Proprietors, and under the certificate of a Justice of the Peace to the effect that the above conditions have been complied with.

Moreover, as security against over-borrowing, every debenture, or coupon of debenture stock issued, bears the endorsement of two Directors and one of the Registered officers (either the Secretary or Accountant), testifying, in conformity with the Railway Securities Act, 1866, that the statutory limits of the Company's borrowing powers have not been exceeded. At the end of every half-year a return shewing the position of the debenture capital account, and a statement of new borrowing power (if any), are required to be sent to the Registrar of Public Companies, under heavy penalties if in default.*

Loans, or terminable debentures, have now been almost entirely superseded by the more convenient security—debenture stock.

The principal advantage of this is that debenture stock being irredeemable or in the nature of perpetual annuities, Companies are not so liable to be affected by contingencies of the money market as formerly, their "re-borrowing" operations being now reduced to comparatively small dimensions.

It is equally convenient to Trustees and others who object to the frequent re-investment of funds.

The first record of transactions in debentures is made in a memorandum book called—

138. Loans Tendered Book.—This shews in separate

* The obligation to render this return is abolished by the Railway Accounts and Returns Bill, 1910, which also provides that the declaration to be made on Mortgage Deeds and Debenture Stock certificates shall be signed by the "Officer responsible for the correctness of the declaration."

columns the following particulars:—(1) date; (2) name and address of the negotiator of the loan; (3) amount; (4) rate of interest; (5) period; (6) when paid to bank; (7) consecutive number of the debenture bond to be issued; (8) name and address of the lender; (9) how to be made out, whether in one or more debentures; (10) under what power issued, whether re-borrowing or new power; (11) amount and date of payment of agent's commission if any.

Before the debenture bonds are prepared, the particulars of all loans tendered are submitted to the Finance Committee of Directors weekly, and if sanctioned, an authority is sent to the negotiators authorising the Company's Bankers to receive the money. To this authority a form of receipt to be signed by the Bankers is attached.

When the money has been paid, the date of payment, as per Bank pass-book, is inserted in the Loans Tendered Book as above; the pass-book being also marked with the names of lenders and numbers of debenture bonds.

The bonds are then prepared, and entered in the

139.

DEBENTURE SEALING BOOK,

Debenture No.	Folio in Debenture Ledger.	Name of Lender.	Accountant's Initials.	Amount. £	When paid.	To which Bank.	Date sanctioned.	When sealed.	By whom presented to Finance Committee.	Sealing No.	Initials of Director present.
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and submitted therewith to the Finance Committee for the seal of the Company to be affixed.

Each entry in the Sealing Book, and each bond is initialled by a Director present at the time of sealing, the bond having been previously signed at the foot by the Secretary, and countersigned by the Accountant.

The bonds, bearing the endorsement of two Directors and a Registered Officer, are then issued in exchange for the Bankers' receipts.

140. Company's Seals.—It may be stated in passing that there are two seals, *viz.*: the principal seal of the Company called the "common seal," and the "coupon seal."

The *common* seal is secured in a safe provided with two locks, and is under the joint control of the Finance Committee and Secretary. Each member of that Committee has a key to one lock and the Secretary holds the key to the other, neither of which can be used apart. This seal is used for sealing debenture bonds, certificates of shares, registers of shareholders, deeds of conveyance, agreements, and other documents.

The *coupon* seal is secured under one lock, and as its name implies, is for sealing stock coupons. It may be used by the Secretary, who holds the key, without the presence of a Director, but only after the documents have been examined by the Accountant, whose signature is evidence that he accepts the responsibility of having checked them prior to their issue by the Secretary. As will be seen, the coupons are registered, and the transactions reported to the Finance Committee.

141.

REGISTER OF DEBENTURES.

Accountant's Initials.	No. of Debenture.	Date.	Name, address, and description of lender.	TRANSFERS.			Amount. £	Date of expiration.	Date repaid.	By which Bank.	When renewed.	Folio of re-entry.
				No. of Transfer.	Date.	To whom.						

The Registers of Debentures are made up from the Sealing Book and Registers of Transfers, and contain the statutory records of all debentures issued by the Company, and may be perused at reasonable times by any share or debenture holder.

The entries are classified according to the rates of interest paid and the various Acts or Sanctions under which the money has been borrowed, the following being a specimen of the headings:—

Register of Debentures issued for moneys borrowed under the Company's Acts of Parliament, 19— and 19—, authorised by a Resolution at a Meeting of Proprietors of the _____ Railway Company, on the _____ day of _____ 19—, at 3 per cent.

A summary is made of the Register totals, from which may be ascertained the total amount of debentures outstanding, the amount falling due each year, rates of interest, &c. This summary is balanced with the Accountant's books at the end of each half-year, and the figures inserted in the published accounts of the Company.

142. REGISTER OF TRANSFERS OF DEBENTURES.

Transfer Deeds.			From whom Transferred.					To whom Transferred.		From whom Received.
Number.	Date of Deed.	Date when Registered.	Name and Address.	Description.	No. of Debenture.	Folio in Register of Debentures.	Amount of Debenture. £	Name and Address.	Description.	

This is written up from the transfers received, the entries being afterwards posted into the Debenture Registers.

The original debentures, surrendered by the Transferer, are endorsed by the Secretary in favour of the Transferee, and sent to the latter or his agent, whose receipt is obtained. Debentures may also pass into other names upon production of probate of will or letters of administration of a deceased holder; the bond being similarly entered and endorsed in favour of the Executors, Administrators, Trustees, or Legatees.

143. Debenture Interest Warrants.—Interest warrants covering the full term of each debenture, payable half-yearly, on the dates marked upon them, are signed by the Secretary and Accountant and issued with the debentures.

The warrants bear the same numbers as the debentures; but when the latter are renewed, the old as well as the new numbers are shewn on the face of the new warrants issued.

All warrants are entered, before being sent out, in the

144. DEBENTURE INTEREST COUPON BOOK.

No. of Debenture.	No. of Interest Coupon.	Rate of Interest.	Folio in Register of Debentures.	Coupons entered by — (initials.)	Coupons checked by — (initials.)	Amount of Debenture. £	AMOUNT OF COUPONS AND DATE PAYABLE.				Date of last Coupon.
							1 July, 1911.	1 Jan., 1912.	1 July, 1913.		

Separate columns are provided for the interest falling due each half-year; and the accruing liability in this respect may therefore be readily ascertained at any time. The Accountant is advised of the total for each half-year to enable him to make the necessary provision.

145. DEBENTURES FALLING DUE BOOK.

Date of Expiration.	No. of Debenture.	Name and Address.	Amount. £	Rate of Interest.	Power.	TO BE RENEWED.			To be repaid.	Bank. £	Date paid off or new No.	Commission.	When paid.
						Amount. £	Rate of Interest.	Time.					
									To be converted into Debenture Stock.				

A list of debentures falling due is made in this book, and submitted weekly to the Finance Committee for instructions.

If they are to be paid off, an advice signed by a Director, the Secretary, and Accountant, is sent to the Bankers, authorising them to pay off the bonds upon their surrender; the holders giving a receipt on the back of the same, in prescribed form. The paid off bonds are then sent with the Bank pass-books to the Accountant, by whom they are examined, submitted to the Finance Committee, and defaced. The weekly totals of the debentures to be paid off are initialled by a Director and the Accountant.

If they are renewed for a further period, a memorandum of the terms is made in the Debentures Falling Due Book, and the original debentures are endorsed as follows:—

The repayment of this debenture is by mutual consent postponed to the _____ day of _____ one thousand, &c. Interest to be paid half-yearly at the rate of _____ per cent. per annum from _____ 19 .

_____	Sixpenny Stamp.	_____ Secretary.
_____		_____ Accountant.

The endorsement is also initialled by a Director.

146. Debenture Stock.—In connection with debenture stock there are not, of course, any renewals or repayments to be recorded. What is required is an account of allotments, cash received, stock coupons issued or cancelled, and transfers; also Ledgers and Address books, shewing the amount of stock standing in each person's name, and a half-yearly stock and interest summary.

147. Debenture Stock Allotment Book.—This answers the same purpose for debenture stock as the Loans Tendered Book does for loans. It contains the particulars of allotments, the numbers of orders authorising the Bankers to receive the cash, dates of payments of cash, amount of premium (if any), numbers of coupons issued, agents' commission, &c.

148. Debenture Stock Coupon Sealing Book.—(See next page.) This contains an abstract of coupons sealed by the Secretary, and is submitted to the Finance Committee weekly. Particulars of coupons issued for original allotments are entered in the first section, and the entries, also the corresponding cash entries in the Bankers' pass-books, are initialled by a Director before the coupons are sealed.

New coupons, issued in lieu of others cancelled by transfer, are entered in the second section.

The third section, or in some cases a separate book, is used as a Register of Exchanges. If, for example, a person held £1,000 stock, and had only transferred £700, the coupon for the whole amount would be cancelled, and the amounts "transferred" and "exchanged" (the latter being the balance of £300) entered in the columns for that purpose. Details of the coupons exchanged are entered in the second section.

New coupons are signed by the Secretary and Accountant, and bear the endorsement of two Directors and a Registered Officer as in the case of debentures.

149. REGISTER OF DEBENTURE STOCK COUPONS.

Consecutive No.	Name, &c.	Date of Issue.	Amount £	Stock Ledger Folio.	Numbers of Coupons Issued.

This book is written up from the coupons to be issued, which are type numbered consecutively.

It constitutes the authority for the original credit entries in the Stock Ledgers; subsequent additions to, or alterations in the latter (excepting, of course, further allotments), being made through the Register of Transfers *only*.

The Register of Coupons is totalled to shew the gross

RAILWAY.

First Section.—DEBENTURE STOCK COUPON SEALING BOOK.

Date of Committee.	Name, &c., of Allottee.	Amount. £	CASH PAID.		COUPONS SEALED.			Directors' Initials.
			To which Bank.	Date.	No.	Denomination. £	Total. £	

Second Section.—(DEBENTURE STOCK RE-ISSUED, PER TRANSFER.)

Date of Committee.	COUPONS CANCELLED.			COUPONS SEALED.			Directors' Initials.
	No.	Denomination. £	Total. £	No.	Denomination. £	Total. £	

Third Section.—(REGISTER OF DEBENTURE STOCK EXCHANGED.)

Date of Committee.	Coupons surrendered. (Name, Address, etc.)	Amount cancelled. £	Amount transferred. £	Amount exchanged. £	Broker or Agent.



amount of coupons issued to the end of each week ; the week's entries being balanced with the first section of the Coupon Sealing Book.

150. Transfers.—All transfer deeds, whether in connection with debentures, stocks, or shares, are numbered consecutively, and entered in the first instance in Transfers Received Books, with particulars of the securities to be transferred, name and address of the broker or agent, and amount of transfer fee in each case. The fees are paid into Bank with the Secretary's general receipts. (See "Cash Book.")

Stock coupons received with deeds of transfer are defaced as soon as received by the Secretary, and before they are delivered to the transfer clerks.

As a further check, if debenture stock coupons surrendered represent an original allotment, the old numbers in the coupon registers are run through with a pen when the old coupons are cancelled ; but if they represent a previous transfer, the same is done in the Register of Transfers. (See next page.) A similar operation takes place in the case of any other stock coupons cancelled by transfer ; the registers being referred to, and the old numbers marked off.

All deeds are closely scrutinized in every detail ; and before being passed, Proprietors in whose names the old securities are registered are advised of the fact that transfers have been received, and are requested to *immediately* communicate with the Secretary if the same be not in order.

Powers of Attorney are registered and filed for comparison with the signatures on deeds of transfer, and no stocks or shares standing in the names of Incorporated Companies or Public Bodies can be transferred except under their official seal and the signatures of persons duly authorised, a copy of the resolutions conferring such authority being required for registration and future reference.



151. REGISTER OF TRANSFERS OF DEBENTURE STOCK.

Stock Transferred from.						Stock Transferred to.				
Transfer No.	Date of Transfer.	Date Registered.	Name and Address, &c.	Folio in Stock Ledger.	Amount of Stock. £	Name and Address, &c.	Amount of Stock. £	Folio in Stock Ledger.	Remarks.	Numbers of Coupons Issued.

This is made up in accordance with the headings from the transfer deeds and new coupons.

The totals are compared with those of the second section of the Coupon Sealing Book, and initialled by a Director every week, the entries being then posted to the Buyers' and Sellers' accounts in the

152. DEBENTURE STOCK LEDGERS.

DR. Name and Address, &c. } _____ CR.

Date.	Folio in Transfer Register.	Amount. £	Date.	Number in Coupon Register.	Folio in Transfer Register.	Amount. £

These are posted up from the Coupon Register in respect of new allotments, and from the Transfer Registers in respect of Stock bought and sold; and shew the amount of stock standing in each person's name, the date issued or transferred, and the necessary references to the entries in the Registers.

It is scarcely needful to add that all amounts appearing in the Coupon Register are *credit* entries in the Stock Ledgers; and it is obvious that the debits and credits in respect of transfers must balance each other. The aggregate amount of

the credit balances in the Ledgers, therefore, should correspond with the amount of stock issued as shewn by the Register of Coupons and Coupon Sealing Book.

153. Debenture Stock Address Book.—This shews, (1) Stock Ledger Folio; (2) Name; (3) Address; (4) Description; and (5) Amount of Stock.

It serves not only as an Address Book of the registered holders of debenture stock, but also as a Summary of the Stock Ledger balances, and Index to the Ledger. The entries are made in alphabetical order of surnames, the amount of stock held by each being inserted in lead pencil; and every time an amount—either a transfer or new allotment—is posted into the Ledgers, a corresponding alteration and addition is made in the Address Book.

154. Interest on Debenture Stock.—In the months of June and December of each year the transfer books of this stock are closed for seven or fourteen days (of which public notice is given by advertisement), in order that the stock may be balanced and the interest warrants prepared.

The interest is in all cases computed on the balances shewn by the Stock Ledgers on the day of closing, any transfer received during the time the Books are closed being held over, or considered as made subsequently.

The Ledger balances are first copied from the Address Books, in alphabetical order, on sheets for this purpose, shewing the undermentioned details:—

Progressive N ^o . of Warrant to be issued.	NAME, &c.	AMOUNT OF STOCK.		Date cash received.	No. of Days.	Interest. £	Less Income Tax. £	Net Amount. £	When, and by which Bank paid.
		Issued to end of last half year.	Issued during the current half year.						
		£	£						
		a	b						

In the case of stock issued during the half-year, and carrying interest for odd days from the date of receipt of the principal, the dates are arrived at by an alphabetical register of the receipts, a note of new allotments being made in the Address Book, when posting from the Register of Coupons.

The total capital entered in the first money column of the Stock and Interest Summary (*a*) is balanced with the amount as published to the end of the previous half-year; and the first and second columns together (*a + b*)—representing the total amount of stock coupons sealed—should, of course, agree with the total of the Coupon Register. Cash received for stock allotted but not sealed, as at the end of each half-year, is entered, for the purpose of calculating accrued interest thereon, on separate sheets.

The interest warrants are then prepared, and handed with the sheets to the Accountant to be checked both as to principal and interest, and for the necessary provision for interest to be made in his books; after which they are signed by the Secretary and posted to the Proprietors.

The sheets are then bound up, and constitute the "*Debenture Stock and Interest Register*" required by Act of Parliament to be "accessible for inspection at all reasonable times to every Mortgagee, Debenture Stock-holder, Share or Stock-holder."

155. Consolidated Ordinary, and other Stocks.—The foregoing explanations as to the registration of debenture stock will give a fair idea of the records that are kept of the more important stocks of the Company, viz.:—the consolidated ordinary, rent charge, guaranteed and preferential, the system being substantially the same. Separate Ledgers and Registers of transfers have, of course, to be kept for the various descriptions of stock; the "ordinary" being, as regards magnitude, the most important, and requiring, in consequence of the large

The letters of allotment, each bearing an embossed penny stamp, and containing the particulars entered in the Allotment Book, are then sent out, together with a copy of the resolution of the Proprietors in which the terms of issue are set forth, a copy of the resolution of the Directors making the first call, and forms of acceptance, Bankers' receipt, and renunciation, as under :—

_____ RAILWAY COMPANY.

159.

LETTER OF ALLOTMENT.

£_____ FOUR PER CENT. PREFERENCE SHARES.

Name of Allottee_____	}	_____ Shares.
_____		Deposit £_____

SECRETARY'S OFFICE,

_____,

_____ 19 .

I am instructed to inform you, that the Directors have Allotted to you_____ of the £ Four per cent. Preference Shares, created by a Resolution of the Special Meeting of the.....Railway Company, held on the.....day of.....19 , a Copy of which Resolution is sent herewith. The first Call or Deposit of £..... per Share, must be paid on or before the..... day of.....19 , to one of the undermentioned Bankers, and this Letter must be deposited with them at the time of payment.

[Here follow the names of the Bankers.]

In case the First Call or Deposit be not paid on or before the day above specified, this Allotment will thereupon become CANCELLED, and the Directors will dispose of the Shares in accordance with the terms of the Resolution above referred to.

I remain,

Yours faithfully,

_____ SECRETARY.

160.

FORM OF ACCEPTANCE OF ALLOTMENT.

* hereby ACCEPT the £ Four per cent. Preference Shares, to which † entitled, on the terms and subject to the Conditions of the Resolution passed at the Special Meeting of the Proprietors, held on the.....day of.....19 , and request the Directors to Register the said Shares accordingly, and to issue Certificates for the same.

* "I" or "We."

† "I am" or "We are."

NOTE—If the shares are to be registered in more than one name, each person's Name, Address, and Description, must be inserted in full for registration in the Books of the Company.

Name in full _____
 Address _____
 Description _____
 Date _____

THIS HALF-SHEET, ENTIRE, MUST BE PRESENTED TO THE BANKERS, WHO WILL RETURN THE PORTION BELOW CONTAINING THE RECEIPT.

161.

BANKERS' RECEIPT.

_____ RAILWAY COMPANY.

No. on Register _____ Shares.

£ FOUR PER CENT. PREFERENCE SHARES.

Deposit of £ per Share, payable _____ 19 .

_____ 19 .

RECEIVED on account of the Directors of the _____ Railway Company, the sum of _____ Pounds to account for on demand.

For _____

£ _____

Stamp

Name _____

If the Shares be sold after allotment, this Deposit Receipt must accompany the Transfer Deed when it is forwarded to the Secretary for Registration.

If the Shares be not sold the Proprietor is requested to retain this Receipt until it is applied for by the Secretary.

162.

RAILWAY COMPANY.

£ FOUR PER CENT. PREFERENCE SHARES.

FORM OF RENUNCIATION OF SHARES BY ORIGINAL ALLOTTEE.

* hereby RENOUNCE all right to the £ Four per cent. Preference Shares Allotted to † in favour of the Person accepting the same.

Signature and Address of the Allottee Renouncing the Shares.

Name in full

Penny

Stamp.

NOTE.—Before signing the Renunciation a Penny Stamp must be affixed as indicated.

Address

Description

Date

* "I" or "We." † "Me" or "us."

The Person or Persons ACCEPTING the Shares renounced to him or them, must sign the "FORM OF ACCEPTANCE OF ALLOTMENT" (160).

THE BANKERS WILL REFUSE THE DEPOSIT UNLESS THE FOLLOWING INSTRUCTIONS AS TO RENUNCIATION BE STRICTLY COMPLIED WITH.

ALL RENUNCIATIONS of Shares must be sent to the Office of the Secretary, so as to be received not later than the _____ day of _____, whereupon an ALLOTMENT LETTER will be issued to the Person or Persons in respect of the Shares so Renounced in his or their favour.

In the case of Shares being renounced in favour of an Allottee, his original Allotment Letter and the letter of Renunciation must be forwarded to the Secretary to be exchanged for one letter comprising the whole.

If it be wished to renounce a portion of the Allotted Shares, the original Allotment Letter must be returned to the Secretary on or before the _____ day of _____, who will forward the required forms in exchange.

RENUNCIATIONS must in all cases be Signed by the Proprietor whose name appears on the Allotment Letter. Where Proprietors hold in a JOINT ACCOUNT, the RENUNCIATION must be signed by all the Persons named in such account.

163. Renunciations of Shares.—When allotments are renounced in favour of other persons, a record is made, and new allotment letters are issued to the persons named, who are

166. Share Certificates are afterwards printed, and issued in exchange for the deposit receipts upon application of Proprietors, a certificate being given for each share of the nominal amount authorised.

The certificate bears the Proprietor's name, address, and registered number, and the number and amount of the share; the conditions being usually printed on the back.

Prior to their issue, the certificates are examined by the Accountant, and sealed with the common seal in the presence of a Director.

As subsequent "Calls" are made, the amounts are accounted for in the same way as deposits, but are posted direct from the Day Books to the Share Registers.

167. Interest on Arrears.—Interest charged by the Bankers on payments in arrear of calls is shewn on the face of the call letters, entered in a separate column in the Day Books, and passed to the credit of the general interest account by the Accountant.

168. Payments in advance of Calls on Shares.—Separate books called "Advance Ledgers" are kept, wherein to record amounts received in anticipation of calls, in order that the interest thereon may be calculated. As the calls become due the amounts are transferred to the Share Registers.

169. Transfers of Shares.—These are registered in books similar to those already described, but instead of the original certificates being cancelled (as in the case of stock coupons), they are re-issued to the transferee through his Broker or Agent, together with a "Certificate of Transfer" signed by the Secretary and Accountant.

No transfer of shares is registered until the calls made in respect thereof have been paid. Shares on which calls remain unpaid for more than a certain time are liable to forfeiture.

170. Consolidation of Shares into Stock.—When

shares are fully paid up, they are, by consent of the Proprietors obtained at a General Meeting (if the terms of issue permit), consolidated into stock, and passed through the "Consolidation Register," to the credit of accounts opened in the names of the Proprietors in the Stock Ledgers.

CONSOLIDATION REGISTER.

Number on Share Register.	Name and Address.	Number of Shares.	Amount. £	Folio in Stock Ledger.	Numbers of Stock Coupons Issued.

Proprietors thus become the holders of so much "Stock," instead of so many shares. This renders the negotiation of the security more convenient to all concerned, generally improves its market value, and saves labour in the transfer department of the Secretary.

If shares are convertible at the option of the holders into "*ordinary*" stock at some fixed date, they are reminded of the fact as the time draws near. The shares which they elect to "convert" are entered in the Consolidation Register, and afterwards posted therefrom into the Ordinary Stock Ledgers.

The share certificates having been called in and cancelled, stock coupons, signed by the Secretary and Accountant, and sealed by the former with the coupon seal, are issued in exchange; the particulars thereof being entered in the Consolidation Register as above.

171. Registers of Stock- and Share-holders, and Dividends.—These are made up on a plan similar to that described for debenture stock (154), though as in the case of the consolidated stock and share address books (156) it is, of course, necessary to provide as many columns for the

“Capital” as there are stocks and shares on which dividend is paid.

After the details have been examined on behalf of the Accountant as explained farther on, and the total amount balanced as regards capital, and approximately so as regards dividends (any small difference in the total dividend caused by allowances in detail of fractional parts of a penny being adjusted in the Accountant's books), the Registers are certified by him, and authenticated by the common seal of the Company. This is affixed by the Chairman at the half-yearly General Meetings, at which the resolutions authorising the payment of the dividends are passed.

The dividend warrants are then completed and sent to the Shareholders.

Dividends are calculated on the amounts *called up*, and not on the amounts *received*; but the warrants for dividends on any shares on which calls are in arrear are retained and passed in gross amount to the credit of accounts opened in the Proprietors' names in a “Calls in Arrear” Ledger. These accounts are debited with the amount of calls in arrear, together with interest thereon and income tax on the dividends retained.

Statements shewing the position of these accounts are sent to the parties interested, and when the debit or credit balances have been paid by or to the Shareholders, according as the warrants retained have been under or over the amount due to the Company, the “Calls” are posted into the Share Ledgers. When there are credit balances, warrants for amounts are issued. Corresponding entries are made in the General Ledgers by the Accountant.

172. Accountant's Checks.—We shall now more fully describe the Accountant's method of check upon the issue and

transfer of debentures, stocks, and shares ; the objects of which are to see that the right amount of cash has been received ; that old securities sent for exchange are cancelled before new ones are issued ; that these are correctly entered in the Secretary's books ; and that the total nominal value of securities issued, representing debentures, stocks, or shares, corresponds with that shewn in the books and published accounts of the Company.

For these purposes all debentures, stock coupons, share and share transfer certificates, prior to their issue by the Secretary, are, together with the transfer deeds and old securities, submitted to the Accountant for examination and registration ; and in the case of debentures, stock coupons, and share transfer certificates,—for signature.

173.—Each week's transactions in **Debentures and Debenture Stock** (except transfers) are entered in a book kept in the Accountant's department, shewing in separate sections particulars of (1) **Debentures Renewed** ; (2) Debentures paid off, and new debentures or stock issued towards replacing them, termed the "**Re-borrowing Account**" ; and (3) Debenture Stock issued in respect of new borrowing powers, with a reference to the Acts under which such new power was created, termed "**New Power**." These entries are initialled by the Accountant and a member of the Directors' Finance Committee (to whom the book and documents are submitted by the Accountant), at the time the outgoing securities are signed, or, in the case of debentures paid off, when the bonds are cancelled. The cash entries in the Bankers' pass-books are also compared and initialled.

The totals of the debentures paid off, and new debentures or debenture stock issued, as shewn by this book, are compared and balanced half-yearly with the Accountant's General Ledgers and Secretary's Registers ; the latter being also

examined in detail with the cash and cancelled documents, and initialled by or for the Accountant.

The margin on "Re-borrowing Account," when added to that in respect of "New Power," as shewn by the Accountant's record, represents the Company's available borrowing powers, as published in the half-yearly accounts, independently, of course, of new capital sanctioned by Parliament but not created.

Renewals of debentures, being repayments deferred, do not affect the position of the borrowing account, except in so far as the rate of interest may be concerned; and nothing further is required than their transfer to a new account in the Secretary's Register, and the registration and issue of new interest coupons for the additional term as per endorsement on the bonds.

All debentures paid off are cancelled and kept by the Accountant.

In addition to the Accountant's record described above, all debenture stock coupons for new money are compared by his department with the Bankers' receipts, and entered in a Register shewing the name, amount, and numbers of the coupons issued, for subsequent comparison with the Secretary's Allotment and Sealing Books, and Stock Ledgers.

174. Transfers of Stocks.—The deeds are examined to see that they are properly signed, witnessed, and bear an impressed stamp for the *ad valorem* duty, and that the seller's name, and description of the stock to be transferred, correspond with the securities surrendered.

When deeds are signed by an "Attorney" or under the seal of a public Company, the Secretary's registers are examined to see that proper authority for the signature has been given.

The number and date of deed, names, amount of stock, numbers of old and new coupons, are then registered.

If the amount of coupons surrendered by the seller exceeds

the amount of new coupons issued to the buyer, the balance is carried to a column for this purpose to the credit of the seller, and written off as new coupons are issued. The amount of these balances, added to that of new coupons issued, is agreed every week with the total of the securities surrendered.

Old securities are always defaced before new ones are signed.

The Accountant's records are afterwards compared with the Secretary's Registers, these being then called over with the Stock Ledgers which are initialled by the Accountant's Auditor.

As an *additional* security provided by the Accountant against the re-issue of old coupons, or imposition of duplicates, all new coupons issued are registered, with the date, in numerical order; and when the securities are cancelled by transfer or exchange, the entries are referred to, and the number of the coupon so cancelled, marked off; the date on which this is done being inserted. This is also done in the Secretary's department, and if on turning to a number it should be found to have been previously cancelled, enquiries would be immediately made.

175. Shares.—The allotment letters are checked with the Secretary's Allotment Book, entries of renunciations, &c.

Before being sealed by the Finance Committee, share certificates are compared with the deposit receipts, which are stamped and initialled as this is done.

176. Transfers of Shares.—Prior to signature by the Accountant, new certificates of transfer are compared with the deeds, and the numbers of shares registered for comparison with the Secretary's books, as in the case of stock coupons.

As previously stated, share certificates are *not* cancelled until the shares have been consolidated into stock; after which they are exchanged for stock coupons signed by the Secretary and Accountant.

177. Consolidation of Shares.—When this takes place, the share certificates withdrawn from issue are examined,

checked with the Secretary's "Consolidation Register," and defaced. The new stock coupons to be issued in exchange are also compared with the Register, and signed, the Register being then checked with the Stock Ledgers.

178. Capital and Dividends.—The capital as shewn by the Secretary's "Register of Stock- and Share-holders and Dividends," is compared with the amount credited as received in the Accountant's General Ledgers, and is afterwards checked in detail with the Secretary's stock and share Ledgers.

All calculations and additions are tested, and the dividend warrants examined and initialled by a member of the Accountant's staff, before being signed by the Secretary.

179.—We now come to the **Stations' Cash, Bills Receivable, and Secretary's Cash Books, Miscellaneous, and Rent Collection** accounts.

It has been remarked that excepting traffic accounts the Secretary is the only Officer authorised to give a receipt for accounts paid to the Company, and a notice to this effect is printed on the bills; but in a certain sense this principle may be said to extend to station traffic accounts also; for while the station-masters, agents, and district collectors issue receipts to the public, the former look to the Secretary for official receipts for the amount of their daily remittances to Bank through the district cashiers.

180. Stations' Cash Book.—This is made up from the Bank sheets (35). These have three or more money columns—one for the total of each station's remittance, filled in by the district cashiers; one for coaching, one for goods and minerals, and one for miscellaneous accounts and rents received at stations on behalf of the Secretary. These latter columns are filled in by the Secretary's department from the advices or remittance notes,

any cash "short," or "over," as notified by the Bankers, being adjusted in "coaching," unless the remittance is for "goods" alone. This is done on the assumption that the station-masters who remit the cash have taken care that they duly received from the goods agent or collectors the exact amount set down for "goods." It also prevents confusion in the accounts.

The Secretary's acknowledgments, in the following form, are then sent to the district cashiers, by whom they are forwarded to the stations in the returned empty cash boxes.

_____ RAILWAY, SECRETARY'S OFFICE, _____ _____ 19 .		
To _____ STATION.		
I beg to advise receipt of cash:		
For Passengers. £ : : as per remittance for _____	For Goods. £ : : _____ (date).	For £ : : _____ for Secretary.

The Stations' Cash Book shews the total amount received by the Bank daily from each district on account of coaching, goods, and minerals, respectively.

The miscellaneous items above referred to, soldiers' warrants, and cheques returned by the Bankers for endorsement, &c., are carried into separate columns.

At the end of the month a summary is made.

The Stations' Cash Book and Bank sheets are then handed to the Accountant, by whom the latter are compared with the Pass books, to see that the right amounts have been credited.

The Accountant is also furnished with particulars of miscellaneous items, in order that he may pass the same to the credit of the proper accounts (401).

181. Bills Receivable Book.—In this book is recorded

the progressive number and usual particulars of customers' acceptances, from whom received, by and on whom drawn, where payable, amount, when due, and how disposed of.

In drawing bills on customers for tolls, the following form is used:—

No. _____ RAILWAY.

_____ 19 .

_____ Months after date pay to the order of the _____

Railway Company _____ pounds, _____ shillings, and _____

pence, value received for Toll on Minerals in the month of _____ 19 .

For the _____ Railway Company.

_____ General Manager.

£ : :

The bills have an engraved endorsement, as follows:—

Pay _____

For the _____ Railway Company.

_____ Secretary.

_____ Accountant.

182. Bills Receivable Ledger, No. 1.—The debit side of this book is made up from the Bills Receivable Book; the dates, numbers, and amounts only, being entered in consecutive order.

A daily list of bills received is also entered in the Secretary's Travelling Cash Book (185), to enable the General Manager and Accountant to credit the right accounts; all acceptances being of course passed to the credit of traders when they are received, and not when they fall due.

The Secretary, as the custodian, is debited in the Accountant's Ledger with the amount represented by the bills, and is relieved of such debit when the Company

receives credit through the Banking accounts. This procedure is practically the same as in ordinary commercial book-keeping, except that the title "Secretary's Bill Account" is used, to fix the responsibility of the Secretary, instead of "Bills Receivable." As a rule Railway Companies do not make payments by acceptances, therefore a "Bills Payable" account is not needed.

A few days before the acceptances fall due they are sent to the Company's Bankers for collection; and the debit entries in the Bills Receivable Ledgers are then cleared by corresponding entries on the credit side, shewing to which Bank sent, date, numbers, and amounts.

A monthly statement of bills sent to Bank at maturity is furnished to the Accountant, and this is compared with the pass-books (401).

The debit balance of the Bill Ledger represents the amount of bills on hand. Of these, a list is made at the close of each half-year, and verified by the Accountant by comparing it with the bills and the balance as shewn by his books.

183. Dishonoured Bills, &c.—All bills and cheques returned to the Secretary dishonoured, for endorsement or on account of other irregularity, are taken to debit in a separate Ledger called "**Bills Ledger, No. 2.**"

The General Manager is advised of such items as may need his attention, and his acknowledgment is taken for dishonoured bills or cheques handed to him for collection.

The debits are cleared as endorsed or amended cheques (or cash) are paid to Bank; or as new bills or compositions are received through the General Manager or Company's Solicitors.

A list of all bills and cheques returned is entered in the Secretary's Travelling Cash Book, as in the case of ordinary bills, to enable the Accountant to deal with the items.

The Secretary furnishes the Accountant with a monthly statement of items paid to Bank to meet the debits; and at

the close of each half-year, the latter supplies the General Manager with a list of outstandings, or dishonoured bills and cheques remaining uncollected; the amount being first compared and agreed with the Secretary's books.

184. Secretary's Cash Book.—In this book is entered all cash received by the Secretary with the particulars of each item, from whom received, on what account, &c. The cash is balanced and paid to the Company's Bankers daily, a receipt therefor being obtained.

An exact copy of the entries is then made in what is known as the

185. Travelling Cash Book. (See next page.)—This is, in fact, the Secretary's daily advice to the Accountant, General Manager, and those in the Secretary's own department who have charge of the collection of accounts, of cash received by him, and requiring to be credited to the various accounts in their respective books.

Each department then extends to the classification indicating the accounts to be credited those items which concern itself. Thus, remittances for news or corn sample labels, and other items requiring to be credited to accounts in the Coaching Ledger, are "claimed," and extended to the column for "coaching" by the Station Ledger office; remittances on account of goods traffic would, likewise, be extended to the "goods," and minerals to the "mineral" columns; soldiers' warrants and miscellaneous items collected by the Secretary, to "Secretary's Collection," and so on.

This not only prevents any doubtful item being credited by the departments to more than one account (an error, however, which, under the system of book-keeping described farther on, could not escape subsequent discovery), but it also guides the Accountant's book-keeper in distributing the cash credits in the General Ledgers (401).

SECRETARY'S "TRAVELLING" CASH BOOK.

Date.	From whom Received.	Particulars.	Dr. Amount.	Cr. Daily Total Paid to Bank.	Classification.						Sundries. Amount and Account to Credit.
					For Coaching Traffic.	For Goods Traffic.	For Mineral Traffic.	Secretary's Collection.	Rent Collection.		
			£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
June 19	A. B., York	News Labels	1 0 0		1 0 0						
"	C. D., Thirsk	Tolls	100 0 0				100 0 0				
"	E. T., York	Carriage	3 5 6		3 5 6						
"	G. H., Scarboro'	Old Sleepers	10 0 0					10 0 0			
"	L. J., Newcastle	Wagon Repairs	6 5 6					6 5 6			
"	K. L., do.	Carriage	10 0 0		10 0 0						
"	Superintendent of Line	Wages Overdrawn	12 6								
"	Rent Collector	Rents	20 0 0						20 0 0		
"	Loco. Superintendent	Wages Overdrawn	3 4								
"	Paymaster-General	Soldiers' Warrants	1 10 0					1 10 0			
		£ 152 16 10	152 16 10		1 0 0	13 5 6	100 0 0	17 15 6	20 0 0		15 10

Traffic Exs.

12 6

Loco. Power.

3 4

The Travelling Cash Book is made up every morning, and, after being passed to the departments or offices requiring it, is handed back to the Secretary the following morning.

Lists of bills received, cheques returned for endorsement, and dishonoured bills, are entered in separate sections of the Travelling Cash Book, under the headings, "Secretary's Bill Account No. 1" and "Secretary's Bill Account No. 2" respectively, as before explained.

Any cash paid by traders direct to the Company's Bankers in respect of traffic or other accounts, as shewn by the Pass-books, is entered at the end of the Travelling Cash Book by the Accountant weekly, for the information of the departments concerned. These payments are only allowed by special arrangement.

All cash, cheques, or bills paid to the Secretary by the General Manager, are entered by him and the Secretary's signature taken in a book for this purpose. The entries in this book, and advices from other departments of amounts paid to the Secretary, are checked in detail by the Accountant with the entries in the Travelling Cash Book; the daily totals of the latter being also compared with the amounts credited in the Company's Banking accounts.

186. Secretary's Collection.—Accounts for collection by the Secretary, except rents from property and those in connection with stocks and shares, are scheduled to him by the Accountant, who receives them, with the corresponding lists, from the respective departments—Stores, Engineer's, Locomotive and Carriage, and Traffic. The bills are checked as regards calculations, entered, and sent by the Accountant direct to the debtors.

These accounts consist, as we have seen, of charges for maintenance of private sidings; gas, water, and stores supplied; old materials sold; private rolling-stock repaired, &c. They

include, also, the accounts rendered by the Accountant to Government departments for soldiers' and other warrants.

The debits are posted into Ledgers from the Accountant's certified schedules (393), and the cash credits from the Travelling Cash Book.

A list of unpaid accounts is laid before the Directors from time to time, and bad debts are written off with their sanction only.

The balances in the Secretary's Ledgers are compared each half-year with the Accountant's books. (See "Book-keeper's office.")

187. Rent Collection.—The Company's income from rental property forms an important part of its revenue.

Buildings and surplus lands, acquired in many instances under compulsion during the construction of new lines; houses erected for the accommodation of the staff; property purchased in anticipation of requirements for station and siding accommodation; offices, &c., built for the convenience of traders—from these, and even from the produce of the embankments of the Railway, a substantial income is derived.

The letting of this property, conditions of tenancy, and agreements in reference thereto; also the sales of grass and hay, are under the management of the Company's Estate Agent. It is his province to find tenants; to secure the best terms for the Company; and to keep the Secretary informed of all lettings, quittals, alterations, and sales.

The collection of the rents, &c., termed "Rent collection," occupies a separate staff of collectors and clerks under one chief rent collector, in the department of the Secretary.

The rent-roll is divided into two sections, *viz.*:—(1), rents from persons *not* Company's servants, collected by the Secretary's staff; (2), rents from Company's servants, deducted

from the wages and salaries. The sections are sub-divided into weekly, monthly, quarterly, half-yearly, and yearly rents.

A "special debit" Ledger is also used for irregular items for which there is no fixed rent; and one for the particulars of grass, hay, or other produce sold, and cash received on account thereof.

The basis of the debit is the Estate Agent's certified advice. This is received weekly by the Secretary, and contains an account of all additions and alterations to be made to the rent-roll.

The entries are numbered progressively, and give all the particulars necessary—name and address, nature of tenancy, annual rental, how and when payable, entry or quittal date, by whom the taxes are to be paid, and so on—to enable the clerks to make a proper record of the amounts to be received.

Rents accruing to the Company from persons *not* Company's servants are entered in two books, one being for quarterly, half-yearly, and yearly rents and the other for weekly rents, as indicated by the headings below :—

188. RENT SCHEDULE. (QUARTERLY, &c.)

Pro No.	(1) Tenant's Name. (2) Residence. (3) Description of Property. (4) Locality.	Annual Rental. £	How Payable.	Between dates.	MARCH QUARTER.						Remarks.
					Arrears £	Rents due March 25th. £	Total. £	CASH BOOK.			
								Folio.	Amount received. £	Allowance. £	

A separate set of money columns is provided for each quarter, and the cash received and allowances (for property taxes, &c., payable by the Company) are posted up from the Rent Cash Book.

In the column for remarks are entered the dates of commencement of tenancies, who pay taxes, reference to Estate Agent's advice, &c.

At the end of each quarter the columns are added up, and a summary of the totals is made and balanced, arrears being carried forward in detail.

189. WEEKLY RENTS. NOT COMPANY'S SERVANTS.

HALF YEAR ENDING _____ 19

No. of House.	Name and Residence of Tenant.	Rent per week.	Arrears brought forward.	CASH RECEIVED.				Total due.	Arrears carried forward.	Remarks.	
				January.							Total.
				7	14	21	28				
		s. d.	£	£	£	£	£	£			
				a	a	a	a				

Each opening in this book is ruled with cash columns (a) for 26 weeks. The amounts "due" are calculated on the "rent per week" as per Estate Agent's advices, and after the cash has been agreed with the Cash Book, the balances unpaid at the end of the half-year are carried forward to a new account.

The dates of entrance, quittal, &c., are given in the "remarks" column.

Weekly and monthly rents due *from Company's servants* are entered on the pay-bills and salary lists by those whose duty it is to prepare them, and deducted from the pay.

Cheques for these amounts are drawn, and paid in by the Secretary to the credit of the Rent Collection account.

The items are posted from the pay-bills and salary lists into a book similar to the one above for weekly rents (not Company's servants), the totals being balanced with the wages and salaries abstracts.

Amounts advised by the Estate Agent for collection from

Company's servants, but not appearing in the pay lists, are made the subject of enquiry.

Clerks in charge at stations have instructions to advise the Estate Agent of any changes in the occupancy of Company's property that may come under their notice.

The entries in the rent rolls are made in the order of branches, stations, or departments, for convenience of reference.

The Special Debit Ledger and Grass Sales Ledger need little further explanation. The "debits" for the latter are advised as soon as it has been ascertained what the sales have realised (particular attention being given to this matter, as also to the special debits, by the Estate Agent), and the cash collected is posted from the Rent Cash Book.

190. Rent Collector's Cash Book.—This is written up as the cash is received.

In addition to the usual cash columns, it also contains provision for a classification of the items, which are extended to the proper columns, and posted into the respective books. Property tax deductions and allowances are also passed through the Cash Book to the credit of the various accounts, distinctive columns being provided, so that these may not be confused with cash.

A separate "Rent Cash Book" is kept by the Secretary in which are entered all items remitted direct to him, cheques drawn in his name on the Company's Bankers for rents deducted on the pay lists; also the amount paid to him daily by the rent collector. The daily total of this Rent Cash Book is carried to the Secretary's General Cash Book, and paid to Bank with the general receipts.

Rent collectors placed at important out-stations are furnished with particulars of the debits by the chief collector, and the cash is paid by them to the local agent or station-master, remitted to Bank with the traffic receipts, and shewn separately

on the cash advices: these items being passed to the credit of the Rent Collection account by the Accountant.

Detailed lists of the sums so collected are furnished to the chief collector, and entered in the Cash and other Books.

At the end of each half-year the Rent Cash Book totals are balanced with the cash credits entered in the Rent Roll, and with the amount paid to the Bankers as shewn by the Accountant's General Ledgers.

The Accountant is furnished by the Estate Agent with a half-yearly certified statement of the rent debit and deductions therefrom in respect of taxes, &c., payable by the Company, the net total of which is passed to the debit of the "Rent Collection" account.

A certified Balance Sheet, made up from the Rent Roll (together with a list of allowances and original vouchers), is also furnished by the Secretary to the Accountant, shewing, on the one side, the *debts* for rents receivable during the half-year and for produce sold, according to the Estate Agent's advice; and, on the other side, the *credits* for cash received and allowances, and the balance to collect, shewing how such balance is made up; *i.e.*, how much is for quarterly, weekly, and other rents; and this also is checked by the Accountant, and agreed with his Ledgers (385).

191. Drawing and Remittance of Cheques.—These matters, properly belonging to the Secretary's department, are referred to in connection with the accounts of the Book-keeper's office (372).

ACCOUNTANT'S DEPARTMENT.

192. It would be difficult for any but those who have daily business intercourse with the Accountant of any important Railway Company to form an adequate idea of his duties.

It will not be supposed that his field of operations would be covered by a review of the work of the "Audit," "Station Ledger," and "Book-keeper's" offices, the three principal offices into which his department is assumed to be divided, inasmuch as the explanations given in former sections sufficiently demonstrate that his functions extend to all the earning and spending departments of the Railway. To all records of receipt and expenditure he has access, so far, indeed, as may be essential to prove their accuracy. For this purpose members of his staff personally visit the various stations and departments, and it is their especial business to prevent or detect irregularities, whether in connection with income or outgoings.

Although having full control over the accounts, the Accountant, as we have pointed out, has not charge of the cash. Yet he may be said to hold the purse-strings, for all accounts, wages, salaries, &c., passed for payment, have to be submitted to him for the purpose of being further examined, recorded and certified before cheques for the same, which he also examines, may be drawn by the Secretary.

Whilst the General Manager is responsible for the collection of traffic accounts, and the Secretary for the collection of miscellaneous accounts for departmental services, sales of old material or stores, construction and maintenance of private

sidings, repairs of working stock, &c., for other Companies and private traders, it is a duty of the Accountant, after such accounts have been prepared in their respective departments, to check, record and send the same to the public; corresponding lists being also examined, certified and sent by him to the General Manager or Secretary as the case may be.

It follows that in like manner his department enters "credit notes" for allowances, overcharges, &c., which have been duly authorised.

He keeps watch on "outstandings" and certifies the correctness of lists thereof for the Manager and Secretary, and there his responsibility ends so far as traffic and miscellaneous accounts are concerned, and theirs begins.

As will be seen farther on, however, there are many important accounts for collection, involving immense sums, and arising out of the checking and division of through traffic, which are prepared by the Accountant. For these he is solely responsible. There are also numerous accounts against other Railway Companies for rents and expenses of joint lines, stations, junctions, and kindred charges made under agreement, that either have to be rendered by him, or in connection with which he conducts the correspondence incidental to their collection by the Secretary, by no means a light matter.

The Accountant also prepares and issues for publication the weekly returns of traffic; he is responsible, as we have seen, for the checking and auditing of the books of the Secretary's department; sees that proper receipts and securities are obtained for all payments made; has the custody of the vouchers and receipts and of debentures which have been paid off; examines the deeds relating to the Company's property; signs (with the Secretary) all instruments of value representing stocks, shares and debentures issued to the public, and takes care that they are duly registered, and that old certificates and coupons are

cancelled before being replaced by new ones. He is, as a rule, the principal adviser of the Directors' Finance Committee upon matters of finance, prepares for them the financial statements, and keeps their minutes.

He countersigns all debenture interest warrants, and checks the dividend warrants before they are issued by the Secretary. He sees also that the actual cash, bills receivable, and other assets of the Company, correspond with the published figures, and that the liabilities are fairly stated.

Thus the Accountant is the principal guardian of the Company's finances, so far as they are preservable by a comprehensive system of accounts and supervision. His department is one in which, to use a political expression, "new developments are growing out of new appliances every day," and it is frequently necessary for him to revise methods of check to meet special requirements, to "frame abstracts of operations which the books may not immediately supply."

Further, an intimate knowledge of the terms of traffic agreements, junction and joint station arrangements in which his Company is interested, is, of course, indispensable to him.

He has frequently to represent his Company in conference with representatives of other Railway Companies, to watch its interests, defend its rights, and assert its claims.

Prepared as occasion may arise, with reports and deductions from statistical facts, in Parliamentary engagements he is the chief adviser of his Company's Counsel, Solicitors and Witnesses as to Railway earnings, expenses and profits.

Finally, the Accountant and staff discharge all those functions by which the multitudinous parts of a vast account-keeping machinery are brought into a compact and intelligible whole, and put into concise form for publication half-yearly, the facts necessary to enable the Shareholders of the Company to judge of the value of their property.

AUDIT OFFICES.

193. It is the duty of these offices to examine and authenticate all returns of traffic furnished by the station-masters and agents, also to see that the Company gets credit for its proper share of foreign traffic settled through the Railway Clearing House. In respect of traffic cleared without the intervention of that establishment they have to apportion to or charge other Companies with their respective shares of the receipts.

They see that the terms of agreements respecting the division of receipts, &c., are properly observed; that losses arising from claims and bad debts are duly apportioned in accordance with regulations or private agreement; and shew, in monthly summaries for the use of the Book-keeper's office, the gross amounts earned from traffic, together with the Clearing House, foreign Companies', joint line and steamship proportions; *i.e.*, the credits to and charges upon the revenue from coaching, goods, cattle, and mineral traffic, and the names of the Companies affected by such credits or charges.

It also rests with the Audit offices to collect the particulars necessary for the returns of traffic published weekly, and to prepare such other statements relative to the traffic earnings of the Railway as may from time to time be required.

With the accounts of cash collected, and traffic outstandings, the Audit departments have nothing to do. When the amount of the *debit* against each station has been correctly ascertained and notified to the "Station Ledger Office," their responsibility, in this particular, ends. The amount of cash paid to Bank,

RAILWAY. COACHING TRAFFIC ABSTRACT BOOK.

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STATIONS.	Number of Passengers.						Amount for Passengers.				(b).		(c).		(d).	Grand Total.
	Single.		Return.		Total.	1	2	Gov.	Total.	Gross Receipts for Parcels, &c.	Post Office.		Total.	Deduct Paid On, (Parcels, &c.)		
	1	2	Gov.	1							2	Gov.					Stamps used (Gross).	Less Portage Paid Out.
					£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.			£ s. d.	£ s. d.		
A						£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
B																
C, &c.....																
General Manager's Season Tickets																
Coaching Claims Account.....																
Accountant's Refunds																
Newspaper, &c., Labels																
Soldiers Warrants (adjustment entry) ..																
TOTAL																
ADDITIONS:—																
Due from Railway Clearing Houses																
Private Settlements:—																
Due from.....Railway Co.....																
Post Office Dr. (a) for Portage of																
Messages.....																
GROSS AMOUNT																
Deductions, as per Coaching Deductions																
Abstract Book (see 237)																
NET TOTAL.....																

Note (a) Total of column "d" carried to column "b" in this entry (see "Coaching Deductions Abstract Book").

together with other credits or allowances are deducted from the debits, and the balances uncollected, as shewn by the station returns, verified in the Station Ledger office.

COACHING AUDIT OFFICE.

194. This office deals exclusively with the returns relating to Coaching traffic.

As the monthly Classifications of Passenger Traffic, Parcel Abstracts and Summaries are received from the stations, one of the first cares of the "Audit" is, as explained farther on, to despatch the returns relating to foreign traffic to the Railway Clearing House, it being of great importance that the Clearing House should be in possession of these returns on the earliest day possible after the close of the month.

The local returns are then arranged in the order given in the Accountant's list of stations, and the Parcel Summaries compared with the Classification Summaries of traffic to see that the debits and credits shewn by the former have been correctly entered in the latter, the totals being also checked by adding the summaries across and upwards.

Then, before any details are examined, the Classification totals are copied into the

195. Coaching Traffic Abstract Book.—The figures entered by the stations are for this purpose taken as correct, excepting, however, errors discovered in the additions of the summaries, or in transcribing from the "Parcel" to the "Classification" summaries. In such cases the erroneous returns are either sent back to the stations for correction, the revised totals being inserted in the Traffic Abstract Book, or Inaccuracy statements are sent and the differences cleared in a subsequent month.

Month Ending _____ 19____.

[illegible]

This enables the Accountant to ascertain the total debit against the stations in respect of Coaching traffic for the month within a short time of the receipt of the returns.

No distinction is made between local and foreign traffic in copying the Classification totals into the Coaching Traffic Abstract Book: the numbers of passengers and amounts by each class, the gross receipts from "parcels" and "miscellaneous," and the paid ons being entered as if the whole represented local traffic only.

A large proportion of the receipts on foreign traffic may, of course, be due to other Companies; moreover, those Companies may have to hand over a considerable sum out of money taken by them for bookings to or over the local line. So soon, therefore, as these proportions have been ascertained, they are added to or deducted from the figures arrived at by the foregoing operation; thus shewing in the net total the amount actually earned by the Coaching department during the month.

These results are then transferred in condensed form to the **196. Coaching Revenue Book** for the use of the Book-keeper's office (394.) The total revenue as entered in the station returns, and the additions thereto for amounts due from the Railway Clearing House and other Companies, are entered on one page; and the sums due to the Clearing House and other Companies, also to special agents for commission on sale of passenger tickets for special trains, &c., are entered on the other page, the net amount (which agrees with that entered in the Coaching Traffic Abstract Book) being carried down as shewn on the opposite page.

Having now by a "short cut" seen how the amount of the *Net Revenue from Coaching Traffic* for the month is arrived at, we will enter upon the more lengthy task of examining the

methods by which this result is obtained, and how the returns are checked, dealing with the accounts in the following order:—

Local Parcel, &c., Summaries and returns connected therewith.

Classifications of Passenger Traffic, subsidiary returns, tickets, &c.

Foreign Parcel, &c., Abstracts and Summaries, Monthly Station Debit and Half-Yearly settlement returns prepared by the Clearing House.

Through Passenger Bookings: Monthly debit and credit statements prepared by the Clearing House.

197. LOCAL PARCEL, &c., SUMMARIES.—These are arranged in the Audit office in the order given in the list of stations, and the entries in the summaries having been made by the stations, in the same order, it is an easy matter to check the amounts. This is done in the following way:—

Each entry in one summary, say that of Carlisle, is checked against each corresponding entry in every other summary. Thus, the entries for "forwarded" traffic from Carlisle to Lancaster as shewn by the Carlisle summary would be compared with the entries for "received" traffic from Carlisle as shewn by the Lancaster summary, and *vice versa*. All the entries in the Carlisle return having been disposed of, every other station return would be similarly dealt with.

If the returns have been correctly rendered, the figures compared will agree. But when differences are discovered, a note is made in the summary and the details of the corresponding abstracts afterwards examined.

When by this means the date, or dates, on which the differences occur have been ascertained, the particulars are entered in the "**Local Inaccuracy Register**" (Form No. 69, App.), and a statement thereof, bearing the registered number, forwarded to the station, either for an explanation of the

difference, for the original way-bills concerned, or for copies, as the case may require. Should the forwarding station, for instance, abstract 5s. 6d. to pay, and the receiving station only 5s. od., the original bills would be obtained from the receiving station and sent to the forwarding station by the Audit department with a request to the latter for a copy of the way-bill for the difference, the receiving station being then required to take the omitted amount to debit on the next month's parcel summary.

When the Check Clerk has seen that this has been done, the entry in the register is marked off, original bills are sent back to the station, and the papers filed.

198. Outward Horse, Carriage, Excess Luggage, &c., Traffic.—The entries on the back of the local summaries are examined to see that all tickets are accounted for, the number of the next to issue at each station being registered for comparison with the following month's return.

199. Collected Cloak Room Tickets are compared with the returns, the additions of which are tested, and the total compared with the amount taken to debit. Missing tickets are applied for.

200. Cab Stand Rents.—The Accountant is advised by the Superintendent what cab stand rents each station is required to collect. A register of these is kept, and the abstracts are examined therewith. Errors or omissions are pointed out to the stations and corrected in a subsequent month's account.

201. Extras Summaries.—These are checked as to additions, &c., and compared with the amounts entered in the parcel, &c., summary of totals. The extras books are also compared with the delivery and warehouse books at the stations by the Accountant's Inspectors, who are expected to satisfy themselves that charges for extras are properly accounted for.

202. Time Tables.—The debits for time-tables are

checked with the statements of sales, and unsold books sent to the Audit office are returned to the Stores department.

203. Overcharges.—The abstracts of overcharges are examined to see that proper authority for each entry is attached thereto, and that credit is taken in the summary for the right amount. In addition, those abstracts of overcharges in connection with “to pay” items are sent to the forwarding stations, and those in connection with “paid” items, to the receiving stations to be certified by the clerks in charge.

204. Parcel Delivery Bills.—These are checked as to additions and calculations, and such other tests applied as may appear necessary to ascertain the correctness of the allowances.

205. Newspaper and Corn-sample Labels are type-numbered consecutively and sold to news-vendors, corn factors, and others by the General Manager’s department only. The supplies are obtained by the General Manager through the Accountant in the same way as a station obtains passenger tickets, and are similarly registered in the Audit office.

A return of the sales each month is furnished by the General Manager to the Accountant, and after the commencing and closing numbers of the tickets sold, and the calculations have been checked, the Manager is debited with the gross amount of the sales in the Coaching Traffic Abstract Book in the same way as a station is debited for receipts from parcels, he being responsible for the collection and payment of the cash to the Secretary of the Company.

206. Coaching Claims.—Claims paid out of Coaching cash at the stations in respect of loss or damage to parcels are recharged (paid on, to pay) to the Accountant, the Superintendent’s authority for the recharge, also claimant’s receipt, and papers relating to the claim, being attached to the way-bill in each case.

These recharges are abstracted (on “forwarded” abstracts) to

the Accountant's office as if it were a station; and a summary of all such items is made in a book for this purpose by the Station Ledger office (which is the office concerned) and handed in to the Coaching Audit office for comparison with the abstracts of the forwarding stations. It is also seen that the Clearing House is advised by the Superintendent, as will be explained by-and-by, of items in which foreign Companies are concerned. Although the amount of the debit, as shewn by the Station Ledger office summary, is included in the Coaching Traffic Abstract Book under the head of "Superintendent's claims" like an ordinary "miscellaneous" debit, the amount of Coaching revenue is not affected thereby, as the corresponding "paid ons" of the stations come in as a deduction.

207. Coaching Refunds.—Passenger fares and parcel charges refunded by authority of the Superintendent or Accountant are recharged in the same way, but are entered separately in the Coaching Traffic Abstract Book as "Accountant's Refunds."

It will be shewn in dealing with the accounts of the Station Ledger office how these debits for claims and refunds are cleared.

208. CLASSIFICATIONS OF PASSENGER TRAFFIC (Ordinary and Tourist).—The commencing numbers of tickets are checked with the closing numbers entered in the previous month's returns, care being taken to observe that all numbers are brought forward whether tickets have been issued or not.

The closing numbers of local tickets are checked with the tickets collected.

Credit is not allowed for children's tickets, nor for tickets entered in the "not sold" column, unless the half and unsold tickets are sent to the Audit office with the returns.

It is seen that all intermediate numbers of blank card and paper tickets are taken to account.

The "gross rates" are checked with the registers of passenger fares, after which the calculations, additions and summaries are checked.

209. Daily Express Fare Returns.—These are submitted for examination to the Superintendent, who communicates with the station-masters respecting any entries that appear to indicate neglect on the part of ticket examiners and others, such as allowing passengers to travel without tickets.

When the returns are sent back to the Audit office, the details are checked and the totals compared with the amounts taken to debit in the classifications.

210. Season Ticket Classifications.—These are checked with the General Manager's Register, which is marked off as the items are taken to debit.

The Manager is held accountable, the same as a station, for season tickets issued direct to applicants by him, and the amount of his monthly return (which is made up in the same way as that of a station) is entered separately in the Coaching Traffic Abstract Book.

The cash collected by the Manager is remitted to Bank through the district cashier daily.

211. Tourists' Extension-of-Time Ticket Returns.—These are examined and the totals compared with the amount entered in the classifications.

212. Bookings by Excursion Trains.—After the details of the station returns have been checked, summaries of the bookings by each station during the month are made up therefrom for comparison with the classification entries.

The Accountant is advised by the Superintendent of all excursion trains, and the stations at which they call, in order that the Audit office may see that returns of bookings are duly received.

213. Officers', Soldiers', &c., Tickets.—Warrants paid as cash to the various district cashiers, and deducted from the bank sheet totals, are entered by them on Form No. 70 (App.), and sent therewith to the Accountant daily.

The station amounts are checked, and correct fares inserted by the Audit office, any differences being extended, and added to or deducted from the revenue figures for the following month in the Coaching Traffic Abstract Book, as indicated therein.

Accounts for the audited and corrected amounts represented by the warrants are then rendered to the proper authorities, a statement thereof being furnished to the Secretary, so that he may collect the same.

The station classifications are checked to see that soldiers' tickets, equal in amount to that represented by warrants remitted as cash, have been taken to debit.

214. Inaccuracies.—When discrepancies are discovered in the passenger classifications, the particulars are entered on inaccuracy statements (Form No. 71, App.), which are registered and sent to the stations for an explanation.

Errors affecting the debit are corrected in a subsequent month's return, and the entries in the registers marked off.

215. Passenger Fares.—Registers of fares are kept in the Audit office. The Accountant is advised of any alterations, and these are noted with a reference to the advice or correspondence in the registers.

Separate registers are kept of through fares, shewing the foreign proportions thereof. These will be again referred to.

216. Collected Passengers' Tickets.—In dealing with these, attention is mainly directed to the following points, viz:— (1) The registration of tickets missed in collection, and the reduction of irregularities appertaining to non-collection. (2) That all collected tickets (the first and last numbers, and all intermediate numbers, whether the latter be collected or not) are

accounted for, and that the Company receives credit for their value in the station or Clearing House monthly returns.

The progressive numbers of the collected tickets, which are arranged in proper order by the collectors at the stations and sent to the Audit office daily, are examined by clerks appointed to this duty, the particulars of any missing numbers being registered.

This done, the examined tickets, excepting those mentioned below, are put into sacks, and sold by the Stores department to manufacturers as waste paper, steps being taken to see that they are rendered useless.

The continuity of check is preserved from day to day by retaining that ticket in each denomination and class which bears the highest number, for comparison with the lowest number of the same description that next comes to hand.

Schedules of tickets missing are sent every month to the stations for an explanation. Should the number be unusually large, the Superintendent is communicated with, and an investigation made.

The last tickets issued in each month, identified by the number and date stamped upon them, are retained and compared with the monthly classifications, to see that the correct "closing" numbers have been entered therein. For instance, if the number of the last first class ticket issued from A to X be 475, the closing number in the classification should be 476.

If any tickets are not accounted for in the month of issue, the station-master's explanation is required.

All local blank card tickets collected are retained until they have been compared in every particular with the classifications of the stations at which they were issued.

Unissued and collected tickets for local excursions, pleasure parties, soldiers, &c., are checked with the station returns.

Season and member-of-family tickets are sent to the General Manager.

217. Foreign Companies' Collected Tickets.—The closing numbers of collected tickets issued by other Companies (except the return halves of return tickets and unissued half tickets) are arranged in alphabetical order of stations, and sent to the Railway Clearing House monthly, each Company's tickets being separate.

Those tickets, however, in which two Companies only are interested are retained (this traffic not being checked by the Clearing House), unless they are issued and collected by the same Company, in which case they are sent to the Clearing House.

All foreign "blank" paper tickets collected are sent to the Clearing House.

218. Ticket Stock Registers.—These were fully described in connection with the station accounts (15).

We have now to consider the operations connected with through, or

FOREIGN PARCEL, &c., TRAFFIC.

219. Foreign Parcel, &c., Abstracts and Summaries.—The abstracts are examined as they are received from the stations to ascertain that items of paid ons standing alone, or such as are in excess of the to pay items for foreign overcharges, &c., are properly authenticated by paid on vouchers issued by the Superintendent, a monthly return of these being furnished by him to the Audit office for this purpose.

Paid ons for covered carriage trucks are also compared with the amounts taken to debit in the extras summaries. This applies to *local* as well as to foreign abstracts.

The totals of the foreign abstracts and "light" summaries having been compared with the "heavy" summaries, the former

are sent to the Clearing House, the "heavy" summaries being bound together and retained in the Audit office.

It is said of that department of the Clearing House which deals with the traffic abstracts that,

After having ascertained that all stations have sent in their returns, its first function is to group and arrange them so that the outward returns of the forwarding station may be easily compared with the inward returns of the receiving station; any discrepancy amounting to one shilling or upwards found in checking (or comparing) these returns being pointed out at once to both stations concerned, by means of a document called an inaccuracy statement, on which full details of the discrepancy are set forth, and a reply invited in the margin.*

The inaccuracy statements are sent by the Clearing House to the Audit departments of the Companies concerned, by whom they are registered (See Form No. 72, App.) and forwarded to the stations to which they relate for explanations of the differences.

Should the explanations received settle the discrepancies, the summaries are corrected, the particulars of each inaccuracy entered on the back thereof for future reference, and the statements returned to the Clearing House with authority to alter the abstracts; the date returned having first been entered in the register.

When saying "the summaries are corrected," we do not mean that the totals of the summaries, or the station debits, are also altered. This is not so. As already pointed out, for the purpose of making up the Coaching Traffic Abstract Book, these totals are assumed to be correct. They are therefore allowed to stand as entered by the stations. The differences, so far as the stations are concerned, are cleared in the accounts of the following month, in the same way as local; the cash debits or credits to the stations, as shewn by the inaccuracy statements, being entered in the next foreign summaries. The alterations

* "The Railway Clearing House: Its object, work, and results."

above referred to are made in the details of the summaries, so that the Clearing House returns, which exhibit the corrected figures, may afterwards be more easily checked.

If all errors in abstracting could be cleared up in this comparatively easy way, an objectionable element in the work of the Railway Clearing House and Audit departments of the Companies would be in great measure removed, and the cost of "clearing" considerably diminished. But it frequently happens that much time is occupied before a settlement can be effected, and it is therefore of the utmost importance that all possible care be taken by officials at stations to render accurate returns.

The Clearing House method of dealing with inaccuracies is described as follows:—

Should the replies, when received, settle the difference, the erroneous station return is altered accordingly; but if the two stations still disagree in their account of the transaction, the item in dispute is made the subject of further correspondence, or, when possible, settled by an inspection of the invoice (or way-bill) which originally accompanied the goods (or parcels, &c.), the figures of which are held by one of the regulations of the Clearing House to be unalterable. If these figures cannot be adjusted before the Station Debit returns are prepared the items are struck out of the station returns, and recorded in an "Outstanding Book," and the remainder of the items only are dealt with in the current account.*

When original bills are sent to the Clearing House for inspection, a memorandum of the fact is made by the Audit department in the Inaccuracy Register, and differences not cleared before the Clearing House prepare their monthly returns, are marked "outstanding" in the summaries for comparison with the outstanding items brought into the Clearing House half-yearly settlements.

We will now examine the Clearing House returns more closely for the purpose of shewing how they are made up, and how verified by the Audit department.

* "The Railway Clearing House: Its object, work, and results."

RAILWAY CLEARING HOUSE.

RAILWAY STATION DEBIT RETURN. PARCELS, &C. (HEAVY TRAFFIC.) MONTH OF 19__.

Stations between.	G.N. Company.				(b) Other Companies.			
	Parcels.		Miscellaneous.		Parcels.		Miscellaneous.	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
GRANTHAM and—	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Newcastle, N.E.	11 2 0	1 8 4	44 19 1	4 10 0	8 13 1		48 0 7	2 18 3
(All traffic between GRANTHAM and other Stations is entered here.)								
TOTAL GRANTHAM	11 2 0	1 8 4	44 19 1	4 10 0	8 13 1		48 0 7	2 18 3
Dr. £	9 13 8		40 9 1		8 13 1		45 2 4	

(a)

(a) This, for the purpose of illustration, exhibits a difference, when compared with the Grantham Station Summary, of 5/-. It will be seen, on reference to the Clearing House half-yearly Settlement, how it is rectified. (See 38 and 223.)

(b) "Other Companies'" debits and credits are not as a rule now entered in the Clearing House Statements of Parcel, &c., Traffic; but they are given here for the purpose of more completely shewing the connection between the Debit Return and the Station Summaries.

220. Clearing House Station Debit Returns (Heavy Traffic).—The utility of these returns is explained as follows:—

In consequence of the light nature of parcel, &c., receipts, it is not essential to make an absolute settlement each month; and therefore for the sake of economy in the cost of clearing, the actual division of receipts is made half-yearly. It must not, however, be supposed that no accounts are rendered, no check put upon the multitude of clerks and parcel porters, who are so largely employed in working parcel traffic . . . nor that no transfer of money is made during all this time. After the abstracts have been checked, Station Debit statements are prepared to enable the Companies to check the accuracy of the accounts rendered and the cash remitted by their station clerks.*

The entries in the "Station Debit" returns are made from the abstracts, in the same order as that observed by the stations in making up their foreign summaries. (See instructions printed on Form No. 14, App.) This not only facilitates the work of the Clearing House, but also assists the Audit department in checking the entries.

Station totals are made and carried to a summary which, after adding the debit for "light" traffic as shewn by the return mentioned below, exhibits the Company's "gross station debit," in respect of its foreign parcel and miscellaneous traffic for the month.

The nature of "paid," "to pay," "paid on," and "through" items having been explained in connection with the station returns, it is scarcely necessary to observe that the Great Northern Company's debit is made up of its outward paid, excess luggage paid, and inward to pay items, these being collected by that Company; while the credit consists of outward paid ons, and inward through amounts, these having been paid out by the same Company. In like manner the "other Companies'" debits and credits consist of the corresponding items in their returns.

221. Light Traffic.—A separate statement of station

* "The Railway Clearing House: Its object, work, and results."

debits on light parcel, &c., traffic is furnished by the Clearing House, as under:—

COMPANY. LIGHT TRAFFIC. MONTH OF _____ 19 .						
Stations	As Abstracted.		Alterations by Appendix.		Revised Debit as included in C. H. Accounts.	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.

These columns (x) are used for the adjustment of differences in the station returns, particulars of which are given in an "Appendix."

The reason for this distinction between "heavy" and "light" traffic is—

For economy in clearance, and the same practical result being attained, the receipts from "light" traffic are not divided with the same particularity as the receipts from the heavier traffic, but are divided in the same proportions as are found to be due from the accurate apportionment of the heavier traffic receipts, care being taken that in all cases Companies only among whom the receipts are due share in the division; to this end numerous groups, as they are technically termed, have to be kept, these groups corresponding in both the heavy and light accounts. Of the light traffic it is not necessary to furnish further particulars than those contained in the monthly station debit lists, except to show the results of the group divisions; but as companies in all cases receive their actual terminals earned, the case is met by inserting particulars thereof in the monthly statements.*

It is not now considered necessary to enter these latter particulars in the monthly station debit lists, the terminals being credited in the half-yearly apportionment of light traffic by Clearing House. (See 233.)

A group of traffic is defined as traffic between any Railway and any one other Railway irrespective of routes: but no group includes traffic between any one Railway and more than any other Railway; *e.g.*, traffic between the Great Eastern Railway and Highland Railway, whether carried via Larbert or via Fife, would be deemed the same group of traffic, but traffic between the Great Eastern Railway and the Great North of Scotland Railway would be deemed a separate group.

* "The Railway Clearing House: Its object, work, and results."

As only six months from the date on which the accounts are rendered are allowed by the Clearing House to Companies for pointing out errors, the "date received" is marked upon the debit returns, and indeed upon any other Clearing House returns immediately they arrive.

222. The entries in the **Debit Returns** are then checked with the foreign summaries. Only the totals are compared in the first instance, but should these not tally, the details are examined to discover between which pair of stations the difference exists, particulars of the discrepancy being notified to the Clearing House. For the purpose of illustration, the station debit return is made to exhibit a difference of 5s. in the Grantham-Newcastle figures.

An examination of the abstracts by the Clearing House on receipt of an advice thereof, might lead to the discovery that Grantham had entered in the summary 5s. too little for "inward to pay." In this case, that station would be required to take the amount to debit in the next foreign summary.

Should the difference, however, prove to be an error in the Clearing House figures, the Great Northern Company would be credited with the amount here over-debited in a half-yearly list of "outstanding amounts and corrections," and the clearance entry would be made as shewn in the half-yearly parcel settlement.

Particulars of every difference between the debit returns and summaries are registered before the advices are sent to the Clearing House; reference to clearance being given in the column for this purpose, on receipt of the Clearing House replies. (Form No. 73, App.)

This book (No. 73, App.) is also used for recording errors in the Clearing House lists of "outstanding amounts and corrections," which, owing to the large number and complexity of the entries, are not infrequent,—and in the half-yearly settlements.

With this register the Clearing House corrections in subsequent returns are checked, to see that all outstanding items are cleared up.

The next and final operation in checking the debit return is to prove the summary.

It will be borne in mind that the station debit return does not shew the amount actually due to or from the Company in respect of the traffic included therein. It simply enables the Audit office to test the accuracy of the station summaries, and thus to see that the debit recorded against the Company by the Clearing House is equalled by the sum of the debits recorded by the Company against its station agents.

The actual division, or mileage apportionment of the receipts on foreign parcel, &c., traffic, is made half-yearly.

At the same time, however, that the monthly station debit lists are despatched by the Clearing House,

Each Company is advised of an interim balance due to or by it. To arrive at this interim balance, it is assumed that, especially disturbing elements excepted, a Company's earnings from each group will be in the same proportion as in the corresponding month of the previous year; and the balances arrived at on this basis are passed through the Clearing House Ledgers and are subjected to an adjustment at the end of each half-year. (233). . . . Interest is charged at a fixed rate for the money that a Company has held during that time, over and above that estimated to be due from it on the interim settlements; a similar allowance being made in converse cases where the interim estimates are found to have fallen short of the actual figure.*

223. Clearing House Half-Yearly Parcel, &c., Settlement. (See pages 244 and 245.) This statement, also prepared by the Clearing House, embraces the details necessary for ascertaining the net balance due from or to the Company at the close of the half-year on account of all traffic, other than passengers, carried by passenger trains.

The first thing essential to obtain this result is a summary of the traffic entered in the station abstracts, such summary

* "The Railway Clearing House: Its objects, work, and results."

shewing, not only the amounts, but also the number of parcels, horses, carriages, and dogs, and the weight of miscellaneous traffic, conveyed between each pair of stations during the six months.

Although the monthly "station debits" are not now repeated in the half-yearly "settlement" return furnished by the Clearing House, they are included in the specimen entries for the purpose of making the illustration more complete.

It is not requisite, however, to shew the station credits, the same result being arrived at by inserting net amounts only; nor is it needful for "light" traffic to be included, this being specially dealt with in the Clearing House summary of balances (233); but outstanding items and corrections, as shewn by the Clearing House lists before referred to, are added to or deducted from the figures of the station to which they relate, so that they may be included in the mileage division.

Another important factor in effecting a settlement is the

224. Terminal Expenses.—It is obvious that the terminal Companies could not be expected to incur the clerkage and portorage expenses attendant upon the collection, booking, and delivery of parcels, the collection of charges for carriage, and the preparation of the monthly returns, without compensation for these services; and that a division of the entire receipts on the basis of distance alone would not be an equitable arrangement, particularly in the case of three or more Companies' traffic, in which the intermediate Companies have no kindred services to perform.

To meet the case, therefore, an allowance is ordinarily made to the terminal Companies as follows:—

To the forwarding Company, one penny per parcel.

To the receiving Company, two pence per parcel.

Certain classes of traffic charged by weight at station to station rates carry a small terminal allowance per cwt., but this

G. N. RAILWAY. HALF-YEARLY SETTLEMENT OF PARCEL AND MISCELLANEOUS TRAFFIC.

[illegible]

RAILWAY CLEARING HOUSE.

G.N. RAILWAY. HALF-YEARLY SETTLEMENT OF PARCEL AND MISCELLANEOUS TRAFFIC.
Grand Summary.

	Station Debit.										Weight.	Rate.	No. of Parcels Forwarded.	Rate per Parcel.	No. of Parcels Received.	Rate per Parcel.	No. of			Terminal Expenses.		Rate.	Tolls.	Amount for Division.	Great Northern Proportion.				
	G. N. Co.		Other Companies.		Horses.	Carriage- s.	Dogs.	G. N. Company.	Other Companies.	Miles.							Total for Par- cels and Miscellaneous.	Terminals.	Mileage Proportion										
	Dr.	Cr.	Dr.	Cr.																									
Total of Section No. 1 ..	£	s. d.	£	s. d.	£	s. d.	£	s. d.									£	s. d.	£	s. d.	£	s. d.							
Do. No. 2 ..																													
Do. No. 3 ..																													
&c.																													
TOTAL ..£																													
ADDITIONS—																													
Traffic previously open ..																													
Through Traffic																													
Tolls																													
Claims																													
GRAND TOTAL..	£	100 0 0	5 0 0	360 0 0	3 0 0		600		350		90	60	30	5 18 4	6 5 0		3 0 0	64 16 8		25 0 0									

To BALANCE..£44 18 (b)

(a) (a)—Traffic left open for settlement in subsequent Account.

(b)—G.N. Station Debit, £300; less G.N. Terminals, £5 18s. 4d., and G.N. Mileage proportion, £250.

does not include the cost of cartage. When cartage is performed by the Company, an extra charge is made to the consignees of the articles in question for this service. Terminals are not allowed on newspaper parcels carried at station to station rates, nor on horses, carriages, and dogs, these being generally removed on their arrival at the destination stations by the consignees or their agents.

In many instances, however, special terminals are allowed in accordance with agreement.

The number of parcels received and forwarded, and the weight of miscellaneous traffic conveyed during the six months, having been ascertained from the abstracts and entered by the Clearing House in the settlement, it becomes an easy matter to calculate the amounts to be entered in the terminal expenses columns.

These allowances, being included in the charges for carriage, are deducted from the amount of the station debits, and the residue (subject in certain cases to a further deduction for tolls) is extended into the column headed "*Amount for Division.*"

225. Tolls.—The word "toll" denotes "a tax or custom paid for passage," and in this sense the term is used by Railway Companies.

Tolls are paid by a Company when it exercises running powers over the lines of another Company. They may take the shape of a fixed allowance per passenger, parcel, or ton of goods, or the amount may be determined by a mileage proportion of the receipts. For instance, from Normanton Goose Hill Junction to Altofts Junction the distance is about a mile, and on all traffic passing over this portion of the Midland line in North Eastern or Lancashire and Yorkshire trains, the Midland Company would probably receive the proportion it would get of the entire receipts supposing the traffic to have been conveyed an equivalent distance in its own trains.

Tolls are usually credited by the Clearing House to the

Companies entitled thereto, before the mileage apportionment of the receipts is made.

226. Route.—The determination of the route by the Clearing House, particularly when three or more Companies are concerned in the same traffic, is often attended with difficulty, as the following extract affirms :—

Another essential point of difference from the goods accounts is in ascertaining the routes by which the parcel traffic has been carried. Goods traffic is identified with the truck in which it has been conveyed, and the movements of all trucks are carefully watched and recorded ; whereas a parcel is no more identified with the van that conveys it, than a passenger with the carriage he travels in. It is true the way-bills that accompany parcels usually show the train they are booked by ; but this will only hold good up to a certain, or rather uncertain point, and by no means indicates the junction where the parcels are turned out for a train service in another direction. To meet this, many Companies adopt the plan of stamping their way-bills at the different junctions ; and if way-bills and parcels do not get separated, and the way-bills get stamped, all will go well and the abstracts can be correctly routed ; but if through chance or press of work at busy seasons it is otherwise, a large amount of correspondence and enquiry devolve upon the Clearing House.*

When the route has been settled, the distances are ascertained, and mileage proportion of the receipts calculated and inserted in the settlement.

It will be noticed that two columns are provided for the mileage division, one being for the total of both parcels and miscellaneous traffic, the other for “miscellaneous” alone, the difference between the two, after making proper allowance for terminals, representing “parcels.”

227. In Checking these entries the Audit clerk's knowledge of existing agreements as to the interchange of traffic ; of the numerous special allowances and deductions to be made in the actual division of the receipts ; of the topography, not only of the line of the Company he serves, but also of other lines, and his arithmetical powers are called into active requisition.

It may be here observed that it forms no part of the business of the Audit department to see that other Companies are

* “The Railway Clearing House : Its object, work, and results.”

credited with their proper proportion of the receipts from through traffic. It checks as far as needful the Clearing House returns, and looks after its own Company's share of the moneys to be divided, leaving other Companies to do the same for themselves. The interests of all Companies participating in the clearing system are, however, alike impartially guarded by the Clearing House.

228. Examples of Division.—In the example given in the “Settlement,” it is assumed, for the sake of simplifying the division, that that portion of the North Eastern Railway between Shaftholme Junction and York (over which the Great Northern Company have running powers) belongs to the Great Northern Company, and the Great Northern share is worked out by a simple proportion sum.

The distance from Grantham to York (the point at which traffic is handed over to the North Eastern Company) is, say 82 miles; thence to Newcastle, 84 miles; the entire distance, 166 miles. Therefore, if 166 miles gives £101 13s. 5d., 82 miles will give £50 4s. 5.—the Great Northern Company's proportion.

This is an elementary case, and the settlement by the Clearing House with each Company interested would be effected in the following way:—

The amount of the station debit (taking “parcels” and “miscellaneous” together) is—

	£	s.	d.	£	s.	d.
Great Northern	49	17	9			
Other Companies (in this case N. E)	53	15	5			
	<hr/>					
Total amount to be divided				103	13	2
<i>Deduct—</i>						
Great Northern terminals		18	4			
North Eastern do.		1	1			
		<hr/>				
				1	19	9
Amount for mileage division				£101	13	5
				<hr/>		

						<i>Great Northern.</i>	<i>North Eastern.</i>
Of which the Great Northern proportion is	...	...	...	...	50	4	5
North Eastern do.	...	...	...	...			51 9 0
<i>Add—</i>							
Great Northern terminals	...	...	...	...	18	4	
North Eastern do	...	...	...	...			1 1 5
Total of Great Northern share of receipts	...	...	...	...	51	2	9
North Eastern do. do.	...	...	...	...			52 10 5
Great Northern "station debit" (amount already received by the Great Northern Company)	...	...	...	...	49	17	9
North Eastern "station debit" (amount already received by the North Eastern Company)	...	...	...	...			53 15 5
North Eastern Company to pay Clearing House	...	...	...	...			£ 1 5 0
Clearing House to pay Great Northern Company	...	...	...	...	£	1	5 0

Whether there be two or half-a-dozen Companies to participate in the receipts, the *principle* of division, as just illustrated, is the same; though when a Company exercises running powers over the lines of its neighbours, and allowances are made for working expenses; or when traffic is passed over joint lines, and three or more Companies participate in the receipts, the operation becomes more complicated. The following are cited as cases in point; the distances and other particulars may not be strictly accurate, but they will serve our purpose.

Example No. 2.—Traffic from Derby to Barrow-in-Furness conveyed in Midland passenger trains, viâ Wennington, and over the Furness and Midland joint line to Carnforth, thence by the Furness Company over its own line to Barrow, an allowance being made to the Midland Company for working the joint line.

Distance:—Derby to Wennington (Midland)	...	127 miles.
Wennington to Carnforth (Furness and Midland joint)	10	„
Carnforth to Barrow (Furness)...	28	„
Total	165	„

The Midland proportion of the divisible receipts would be therefore, $\frac{1\frac{2}{5}}{16\frac{5}{5}}$ ths, plus, say, * $\frac{1}{3}$ rd of $\frac{1\frac{0}{5}}{16\frac{5}{5}}$ ths for working expenses over the joint line. The Furness Company would take $\frac{2\frac{8}{5}}{16\frac{5}{5}}$ ths, the remaining $\frac{2}{3}$ rd of $\frac{1\frac{0}{5}}{16\frac{5}{5}}$ ths being paid to the credit of a joint purse account of the Furness and Midland Joint Committee.

Example No. 3.—Traffic from Newmarket (G. E.) to Ayr (G. & S. W.), viâ Cambridge, Huntingdon, and Carlisle.

In Great Eastern trains from Newmarket to						
Cambridge	14	miles.				
In Midland trains over G. E. line between						
Cambridge and Huntingdon	20	„				
In Midland trains over Midland line from Hunting-						
don to Carlisle	263	„				
In G. & S. W. trains over G. & S. W. line from						
Carlisle to Ayr	93	„				
	Total	390	„			

In this case the G. E. would take $\frac{3\frac{4}{9}}{3\frac{4}{9}}$ ths of the receipts, less, say *35 per cent. of $\frac{2\frac{0}{9}}{3\frac{4}{9}}$ ths due to the Midland for working expenses between Cambridge and Huntingdon.

The Midland would take $\frac{2\frac{6}{9}}{3\frac{4}{9}}$ ths *plus* the above allowance, and the G. & S. W. would take the residue, or $\frac{2\frac{3}{9}}{3\frac{4}{9}}$ ths.

Example No. 4.—Assuming traffic from Derby as a convenient centre, to Bonar Bridge, viâ Altofts, Berwick, and Perth.

Distance—Derby to Altofts (Midland)	64	miles.			
Altofts to Berwick (North Eastern)	173	„			
Berwick to Perth (North British)	108	„			
Total, Derby to Perth... ..	345	„			
Perth to Bonar Bridge (Highland)	202	„			
Total through distance	547	„			

* These per-centages are assumed.

Although as a matter of fact this traffic might now be sent *viâ* Forth Bridge, the North British trains are here supposed to reach Perth from the south by running over the Caledonian line from Hilton Junction to Perth, a distance of about two miles, the Highland trains reaching Perth from the north by running over the Caledonian line from Stanley Junction to Perth, a distance of about seven miles. Moreover, we have assumed that the Great North of Scotland and the Highland Companies take their proportion on traffic from competitive stations south of Perth in all cases as though it were conveyed by the shortest route from Derby to Perth (*viâ* Carlisle), being but 332 miles against the above 345 *viâ* Berwick. Therefore the Midland would take $\frac{64}{345}$ ths of $\frac{332}{534}$ ths of the receipts. That is to say, supposing the amount to be divided be £50, then $\frac{332}{534}$ ths of this sum, or £31 1s. 8d. would be allocated in the proportions of $\frac{64}{345}$ ths Midland; $\frac{173}{345}$ ths North-Eastern; and $\frac{108}{345}$ North British. The remaining £18 18s. 4d. or $\frac{202}{534}$ ths of £50 (calculated on the shortest route) going to the Highland Company. The North British and Highland proportions would, however, be subject to a deduction in respect of *Tolls* due to the Caledonian Company for the privilege of running over the line of that Company, between Hilton Junction, Perth, and Stanley Junction.

229. When a Company employs its own agent and staff of collectors, clerks and porters to do the work at another Company's station to which its trains have access by running over a foreign line, it is debited by Clearing House with the whole of the cash, and credited with full terminals, and its mileage proportion of the receipts. The difference, or foreign proportion, would be paid to the Clearing House and credited to the other Company interested.

230. "Through" Traffic.—Attention has hitherto been directed to those Clearing House returns of traffic in which a Company may be interested as a terminal Company, and it has

been shewn how these returns are verified with its station summaries by that Company's Audit department. There is, however, a large amount of "through" traffic which is not in any way entered in its station returns, and in relation to which it occupies the position of an *intermediate* Company, the terminal Companies having to collect the through charges for carriage and to include the traffic in their monthly abstracts for Clearing House. Thus, traffic between Berwick and Hanley *via* Altofts and Derby, would be abstracted by the North-Eastern and North Staffordshire stations only, the interests of the Midland Company in this instance being watched by the Clearing House, by whom the terminal Companies would be debited with the Midland mileage proportion of the receipts.

Of such through traffic it is only necessary for the Clearing House to furnish each intermediate Company with a half-yearly statement shewing:—(1) the traffic between each pair of stations; (2) route; (3) gross receipts, this being the sum of the terminal stations' debits; (4) number of parcels or weight; (5) other Companies' terminals and tolls; (6) amount for division, and the intermeditate Company's mileage proportion, the latter sum being included in the grand summary of the "settlement" (223).

The same applies to "tolls" on through traffic, and the following may be a useful illustration:—

In order to reach the Leeds new station (the joint property of the London and North Western, and North-Eastern Companies) L. & N. W. trains from the Dewsbury line, and N. E. trains from the Ripon lines pass over the Midland rails between Whitehall Junction and Canal Junction, and between Holbeck Junction and Canal Junction, respectively, a distance of about a quarter of a mile; and for this privilege a toll is paid to the Midland Company on all traffic conveyed in L. & N. W. and N. E. trains between the points named. Here, again, the

Midland being in the position of an intermediate Company, the duty of ascertaining the amount of tolls it is entitled to receive in respect of such traffic devolves upon the Clearing House, by whom a return is prepared showing the number of parcels, &c., sent between each pair of foreign stations, *viâ* Canal Junction, during the half-year, the rate, or toll, per parcel, &c., and the Midland Company's proportion of the receipt.

231. Competitive Traffic.—Arrangements are sometimes made between Companies interested in competitive traffic for what is known as a "Per-centage Division of Receipts." The terms vary, of course, according to circumstances, but when agreements are framed and carried out in a spirit of equity, they are undoubtedly beneficial alike to the public and shareholders, by giving to the former greater freedom in the choice of routes, and preventing excessive competition, and consequent irregularities of train services, rates and fares.

The method of dividing the receipts under arrangements of this nature occasionally becomes very interesting, and further exemplifies the adaptability of the Clearing House system to varied circumstances of Railway working.

For the purpose of illustrating this, we will suppose the subject of agreement to be traffic between places on the Continent, and competitive places to or from which two or three Northern English Companies, say A, B, and C—each with a London terminus, carry either by means of their own lines, or by arrangement, over the lines of others.

In such a case each Company would probably contribute to a joint fund, the mileage proportion (less agreed allowances for terminals and working expenses) due to its own line, or lines in which it had a joint ownership, by its own routes, and any proportion it might receive in division by any other routes.

Each Company would then receive out of the joint fund, its mileage proportion of a fixed per-centage allotted under the

agreement to each route; this per-centage being understood to represent the proportion of Continental traffic carried by each Company at the time the agreement was made. Other considerations, such as past rate of development, traffic facilities, &c., may also enter into the calculations in fixing the proportions receivable by each Company.

To enable the Clearing House to make the apportionment, it would be furnished with special abstracts and declared returns of the traffic booked or (if "Goods") invoiced locally as well as foreign, by the Companies concerned, each Company checking for itself the declared returns of the others.

The division is simplified by grouping the places from and to which traffic is carried. For example, a "Staffordshire" group might include all or a portion of the places in that County with, say Stoke, as the centre, the distances between London and Stoke by each route being taken as for the entire group. Leeds might be taken as the centre of another group, and so on.

This will be made more clear by calling a group into existence, say "X," of which "X" may be taken as the centre; and by assuming that traffic to and from the Continent is carried by each of the three routes mentioned above, viz. :—those of the A, B, and C Companies between London and X.

It is supposed that at the time the agreement was made, and taking parcels and goods together, the following were accepted as representing the proportion of Continental traffic carried by each Company, viz. :—by "A" Company's route 40 per cent.; by "B" Company's route 25 per cent.; and by "C" Company's route 35 per cent.

If, then, each Company had access to "X" either by its own lines, or by running powers over the lines of others, each would receive the above proportion of the earnings of the other two after deducting therefrom the allowances for terminals and working expenses.

But it might happen that the trains of the "A" and "C" Companies *only* had direct access to "X," while the nearest point thereto for "B" was Mugby Junction, all Continental traffic from and to "X" by this route being transferred at, or hauled between Mugby Junction and "X" by another Company, say "D."

In this case, although 25 per cent. of the traffic might pass over "B" Company's line, seeing that it could only contribute $\frac{16\frac{5}{4}}{245}$ ths* of its receipts to the joint fund, while the more advantageous position of "A" and "C" enabled those Companies to credit the fund with the whole of their receipts on Continental traffic, it would be manifestly unfair to "A" and "C" for the fund to be apportioned in the above ratio. The per-centages would therefore be re-adjusted on the basis of the mileage of each Company as follows:—

"A" and "C" each through to "X". "B" Company's mileage (London to Mugby Junction) 165 out of 245; whence it follows, $245 : 25 :: 165 = 16\cdot8$ per cent., this being "B" Company's per-centage re-adjusted.

Then "A" 40 + "B" 16·8 + "C" 35 = 91·8 per cent., and apportioning this we find that—

"A" Company's share is 40·0 per cent. of 91·8, or 44 per cent.

"B" do. do. 16·8 do. 91·8, or 18 per cent.

"C" do. do. 35·0 do. 91·8, or 38 per cent.

the latter being the proportions the Companies would receive from the fund. Thus: "A" would take 44 per cent. of the net earnings of "B" and "C"; "B" would take 18 per cent. of the net earnings of "A" and "C"; and "C" would take 38 per cent. of the net earnings of "A" and "B."

By working out the examples on the following page it will be seen how these results are arrived at, and how the settlement with each Company is effected.

* London to Mugby Junction, 165 miles; London to X, 245 miles.

COMPETITIVE TRAFFIC.—PER-CENTAGE DIVISION OF RECEIPTS.

BETWEEN	Gross Receipts.	Number of Parcels.	Terminals.	Net Amount.	Proportion Contributed to Joint Fund.	Less Working Expenses (say 25 %/o.)	For Division.	"A" Company's Share.	"B" Company's Share.	"C" Company's Share.
"A" Route.	£		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
London ..	580	4,415	55 3 9	524 16 3	All.	131 4 1	393 12 2	Dr. 220 8 5	70 17 0	38°/o 149 11 5
"B" Route.										
London ..	490	4,019	50 4 9	439 15 3	296 3 4	74 0 10	222 2 6	44°/o 97 14 8	Dr. 182 2 10	38°/o 84 8 2
"C" Route.										
London ..	483	3,449	43 2 3	439 17 9	All	109 19 5	329 18 4	44°/o 145 3 3	18°/o 59 7 8	Dr. 204 10 11
	£ 1,553		148 10 9	1,404 9 3	1,260 17 4	315 4 4	945 13 0	Cr. 22 9 6	Dr. 51 18 2	Cr. 29 8 8

Thus—out of £393 12s. 2d., "A" contributes £220 8s. 5d. to "B" and "C" in the above proportions, retaining its own Share, 44 %/o, or £173 3s. 9d. in its own coffers.

Out of £222 2s. 6d., "B" contributes £182 2s. 10d. to "A" and "C," retaining 18 %/o, or £39 19s. 8d. in its own coffers.

Out of £329 18s. 4d. "C" contributes £204 10s. 11d. to "A" and "B," retaining 38 %/o, or £125 7s. 5d. in its own coffers.

The net result is that "B" is debited in the Summary of the Ordinary Parcel Traffic Settlement, by the Railway Clearing House, with £51 18s. 2d., of which sum "A" is Creditor for £22 9s. 6d., and "C" for £29 8s. 8d.

Companies not parties to agreements of this kind, but who have a share in the traffic as we have supposed "D" to have, receive their mileage proportions in the ordinary way.

232. Foreign Claims.—Amounts paid as compensation for loss of, damage, or delay to parcels (and goods) are apportioned by the Clearing House in any way agreed upon by the Companies interested in the traffic. But in the event of the Companies not agreeing as to the mode of division, and in those cases where the question of liability is doubtful, the loss is usually borne by those Companies whose lines intervene between the place of loading, or the point at which the parcels or goods were last seen uninjured, and the place where the loss or damage was sustained or was first discovered and reported; the loss being divided among the Companies interested in the receipts according to mileage, or in such other way as may be decided by the Railway Clearing House "Arbitration Committee," a convenient tribunal to whom disputed cases may be referred.

For the purpose of dividing the loss, the Clearing House is furnished by the Traffic Superintendent with two statements each month (Form No. 74, App.), one of these shewing the particulars of claims paid by his Company, the other, particulars of claims exceeding £2 paid by other Companies during the month to which his assent has been given.

When the amounts paid are over £2, the documents upon which the assents of other Companies have been given are attached to the schedules, and the lists include all claims relating to through traffic in which the Company is interested, whether such traffic is booked through or locally.

The amounts to be divided and the net results of the mileage division are then carried by the Clearing House to the summary of the "settlement." As paid claims, however, represent "loss,"

RAILWAY CLEARING HOUSE.

(PARCELS, &C.)

Summary of the Balances arising from the settlement of Light and Heavy Traffic, shewing also the Balance remaining after allowing for the interim approximate Balances advised during the six months ending _____ 19__.

	Dr.			Cr.		
	£	s.	d.	£	s.	d.
Reversal of interim Balance for six months (each month's balance shewn separately) ..				60	0	0
Balance arising from half-yearly settlement of Heavy traffic (See 223)	44	1	8			
Ditto. Light traffic as below				5	0	0
To Balance	20	18	4			
	£65	0	0	65	0	0
By Balance due by Clearing House				£20	18	4

Abstract of the apportionment of Light Traffic receipts for the half-year ending _____ 19__.

	STATION DEBIT.								TERMINALS.					
	COMPANY.				OTHER COMPANIES.									
	Dr.		Cr.		Dr.		Cr.							
(Each Month's balance shewn separately.)	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.		
	£	15	0	0							3	0	0	
								Dr.		Cr.				
								£	s.	d.	£	s.	d.	
Total Debit								15	0	0				
Terminals											3 0 0			
Rateable Proportion.. .. .											17 0 0			
To Balance, carried to statement above								5	0	0				
								£	20	0	0	20 0 0		

the amount miled against each Company in respect thereof is deducted from its share of the through traffic receipts and credited to the Company by whom the claim was paid.

The Accountant is furnished with duplicates of the returns sent to the Clearing House to enable him to check the settlement.

233. Summary of Balances.—It will now be seen by a reference to the half-yearly settlement, and to the example on the page opposite, how the totals of the returns described are brought together, and how the net half-yearly balance as between the Company concerned and the Clearing House, in respect of foreign parcel and miscellaneous traffic, is ascertained.

The Company is debited with the amount of cash received, or the total of the station debit, and with its proportion of claims paid. It is credited with its mileage proportion of the gross receipts, also with tolls, terminals on light and heavy traffic, cash advanced to settle claims, approximated interim balances advised by the Clearing House and paid during the six months, and with the balance arising from the apportionment (on the basis described) of the light traffic receipts. The balance of the whole is the amount due to or by the Clearing House in settlement of the half-year's transactions; errors, omissions, and any other items left open for clearance in a subsequent account excepted.

234. Parcel Post.—To enable the Clearing House to apportion the amount received from the Post Office on the basis described in the first section (24), it is furnished by the Accountant of each Company with a certified statement of its monthly station debits in respect of parcel (and not "miscellaneous") traffic, both local and foreign.

Each Company's mileage proportion of foreign traffic is added to the local by Clearing House to find its total parcel earnings.

The earnings of all the Companies entitled to participate in

the Postal Revenue are then added together, and the percentages calculated as follows:—

				EARNINGS.		Share of Postal Revenue.		
				Amount.	Per-centage.			
				£		£	s.	d.
A—	Company	...	...	200	21.05	63	3	0
B—	do.	...	...	120	12.63	37	17	10
C—	do.	...	...	150	15.79	47	7	5
D—	do.	...	...	80	8.42	25	5	2
Other Companies				400	42.11	126	6	7
Totals...				<u>£950</u>	<u>100.00</u>	<u>£300</u>	<u>0</u>	<u>0</u>

Each Company's share is credited in its half-yearly parcel settlement, a statement being rendered by the Clearing House shewing how the amount is arrived at.

As the Post Office makes a payment at the end of each quarter, an approximate apportionment is also made quarterly by the Clearing House, this being taken into account when striking the half-yearly balance.

The returns of local traffic are checked at the Companies' offices by members of the Clearing House staff.

THROUGH PASSENGER BOOKINGS.

235. We have seen that in the division of the receipts from through parcel traffic, the calculations are based upon actual mileage and gross traffic (less terminals) between each pair of stations.

In the case of ordinary passenger traffic, however, the Clearing House does not make a division of the entire receipts, "but only of those portions of fares that have been taken by one Company on behalf of others."

The settlement of this description of traffic is greatly simplified by the foregoing and following considerations.

Passenger fares, with the exception of those of soldiers and others furnished with Government "warrants," are pre-paid. The local and foreign or Clearing House proportions of the amounts charged for through tickets are usually known before such tickets are issued; consequently each Company is able to ascertain without much difficulty its own proportion of the receipts. This only refers, however, to outward passengers. With regard to inward traffic, although one Company might ascertain by means of the tickets collected the amount due from others in respect of bookings to its own stations, that Company (as is the case also with parcel and miscellaneous traffic) is wholly dependent upon the Clearing House for a reliable statement of those bookings by other Companies which place it in the position of an intermediate Company. Thus the Great Northern Company has no record of bookings between Canterbury and Newcastle viâ York other than that furnished by the Clearing House.

In other words, a Company is able to ascertain, by means of its own returns, the amount of its indebtedness in respect of passengers booked to or over the lines of its neighbours; but under existing arrangements, it cannot ascertain without the aid of the Clearing House the amount it has to receive in respect of the fares other Companies have collected on its behalf.

In order, then, that the Clearing House may supply the requisite information, it is incumbent upon every Company to furnish that establishment with complete statements of the bookings from each of its stations to the stations of other Companies, the route, progressive numbers of tickets issued, number of passengers, and the foreign proportion of the fares each month.

With these returns and the collected tickets in its possession, the Clearing House is in a position, not only to institute an independent check upon, and to render to each Company

RAILWAY CLEARING HOUSE.
PASSENGER DEBIT STATEMENT.

RETURN OF THROUGH PASSENGER TRAFFIC BOOKED BY THE FOLLOWING
STATIONS ON THE _____ RAILWAY.

Month of _____ 19__

STATIONS.	Clearing House Proportions.			
	Ordinary Traffic.	Special Trains.	Tourist Traffic.	Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.
A				
B, &c. .. .				
£				
ADD :—				
Previous Months' Corrections, Out- standings, &c. .. .				
Supplementary Accounts .. .				
Wrong Routes.. .. .				
Tolls				
Season Tickets				
Special Trains. (Bookings by each Excursion shewn separately. Date and reference to return given).				
Gross Debit £				
Less—"Notes" (Credits).. ..				
NET DEBIT . . . £				

a complete summary of its passenger debits or fares received on account of others; but it can also ascertain how the sum for which a Company is "*Debtor*" is to be distributed; and by analyzing all the Companies' returns, it is enabled to furnish each with a complete statement of the items for which it is "*Creditor*," and to advise it of the balance it has to pay or receive in settlement of this description of traffic each month.

We may refer first to the

236. Clearing House Passenger Debit Statement.—

The returns of through bookings (or "foreign proportion" returns) prepared at the stations are checked in the Audit office as to numbers of tickets issued, rates and calculations.

In those cases where the stations have not, for want of rates, inserted the foreign proportions, these, if possible, are filled in. The miles, rate, and Clearing House proportion columns of the tourist ticket return are also filled up, and the other details compared and agreed with the entries in the ordinary and tourist classifications. For the purpose of subsequently checking the Clearing House Debit Statement a memorandum of the totals is then made in section "A" of the

237. *Coaching Deductions Abstract Book*, after which the returns for Clearing House, together with unissued tickets for which credit has been taken, are despatched.

In doing this work, *special* care is taken by the Audit department to see that returns relating to two Companies' traffic are correctly rendered. The reason for this is that the Clearing House does not check passenger traffic in which two Companies only are interested, but leaves them to check the progressive numbers, tickets, and returns for themselves; excepting, however, the progressive numbers of blank paper tickets, which are filled up by the booking clerks as circumstances may require.

RAILWAY.

COACHING DEDUCTIONS ABSTRACT BOOK (SECTION "A").

DEDUCTIONS—Amounts Received for Other Companies _____ 19____.

Stations.	Total.		Remarks.	Stations.	Total.		Remarks.
	£ s. d.	£ s. d.			£ s. d.	£ s. d.	

COACHING DEDUCTIONS—SUMMARY _____ 19____.

PARTICULARS. (Companies, &c.)	PASSENGERS.				Parcels and Miscellaneous. (Net).	Grand Total.
	1	2	Gov.	Total.		
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
Foreign Proportions :—						
Due to Railway Clearing House						
Private Settlements, &c.						
Due to _____ Rly. Co.						
„ _____ Rly. Co.						
„ _____ S. S. Co.						
„ Post Office for Telegraph Stamps used (a)						
„ Agents (Commis- sion)						
TOTAL DEDUCTIONS, carried to Coaching Traffic Abstract Book ... £						

(a) Total of column "C" in Coaching Traffic Abstract Book carried to the "Miscellaneous" column in this entry.

On these series of tickets especial watch is required to be kept by the Clearing House, as the testing the accuracy of the station clerk's work in such issues rests entirely with that office, each Company being entitled to receive credit only in respect of the tickets issued to or over its line, and not being in a position of itself to know whether it has had any interest and should have had a corresponding credit for tickets that do not appear in its accounts.*

The main points observed by the Audit office, therefore, to ensure the Company paying or receiving its proper proportion in respect of two Companies' traffic, are that the foreign proportion sheets comprising the Company's debit are accurately made up; that all the paper tickets as well as the progressive numbers of the foreign, ordinary, and tourist card tickets *collected*, are brought to account; and that the Company's proportion of the fares is included in the Clearing House Passenger *Credit* statement.

The foreign proportion returns are registered on being received at the Clearing House, and when three or more Companies are entitled to participate, the progressive numbers are checked by a comparison with the tickets collected.

Blank paper tickets are also checked to see that they are regularly brought to account. Should any omissions or inaccuracies be detected, the necessary alterations are made and an advice sent. The next step is to check the extensions, making due allowance for children's and non-issued tickets.*

If in the above process no omissions or inaccuracies should be found in the returns by the Clearing House, the preparation of the Company's Debit Statement would be a very simple matter; nothing more nor less, in fact, than a summary of the totals of the station returns, and in the case of ordinary and tourist traffic, a reproduction of the amounts already copied by the Audit department into the Coaching Deductions Abstract Book, with which it is compared.

But when, as is often the case, the foreign proportion rates have not been arranged in time for insertion in the

* "The Railway Clearing House: Its objects, work, and results."

station returns before they leave the Audit office; or when errors or omissions are detected by the Clearing House staff, these, as stated above, are subjected to further inquiry, and if necessary, stand over for correction in a subsequent month.

It frequently happens, however, when foreign proportion rates have not been inserted by the stations or Audit department, that the Clearing House is able to supply the information and to make the necessary alterations before the accounts for the current month are closed.

In such cases, advice notes setting forth the nature of the alterations in the station returns are sent to the Audit office. These advices are compared with the classifications (wherein out-standing items are marked off as cleared), and corrections in rates, calculations, &c., checked.

Outstandings entered by the Clearing House in a supplementary account, and cleared in a subsequent month, are checked and marked off in the same way, but are entered separately at the foot of the ordinary entries in the Passenger Debit Statement.

Next in the Debit Statement to the ordinary entries and previous month's corrections is an entry for

238. "*Wrong Routes.*"—This is made up of amounts claimed by other Companies in respect of passengers booked over the line of the Company for whom the returns are prepared, but conveyed by other routes. The details necessary to enable the Audit office to test the accuracy of this entry are furnished by the Clearing House. It does not, however, bring items into account for re-settlement unless it has first received satisfactory evidence of the right of Companies to claim; and re-settlements are made without prejudice, upon the actual route travelled.

239. "*Season Tickets.*"—Under this head is entered the Clearing House proportion of the receipts arising out of the issue of periodical tickets available over foreign or joint lines.

A statement of such issues, shewing "stations between," "gross receipts," "miles," "foreign proportions," &c., is prepared in the Audit office each month for the Clearing House, the particulars being taken from the General Manager's Register.

The last debit in the Passenger Debit Statement to which we need refer is for

240. "*Special Trains.*"—The items comprised in this entry are checked with special train returns previously made up in the Audit office as follows:—

After the returns of bookings by special trains received from the stations have been checked, and the particulars transferred to summaries for comparison with the classifications, the returns relating to each excursion are collected, fastened together, and docketed.

The next step is the preparation of the excursion agents' commission accounts. On foreign excursion traffic (except on Continental proportions) a commission—usually 10 per cent.—is allowed by the Clearing House to Companies by whom the tickets were issued. This is estimated to cover the expense of printing, advertising, &c. A similar allowance is frequently made by the Companies to excursion agents and others with whom special arrangements have been made. If, then, an agent has been employed, so soon as the gross bookings by an excursion have been ascertained, an account for the amount of his commission is made out, registered, certified, and passed for payment.

Statements are then made up from the station returns shewing the destination of each special train, number of passengers booked and amounts received for each class at each station. The amount of commission, if any, is inserted—with a foot-note stating to whom it has been paid, and in the case of foreign traffic, deducted from the gross receipts. The residue is extended into the column headed

RAILWAY.—PARTICULARS OF SPECIAL TRAIN, (No. _____) To _____ 19____

From	No. of Passengers.			Rate.		Amounts.			Less Commission 10 %	Amount to Divide.	Local Company's Proportion.		C. H. Proportion.	
	1st.	3rd.	Total.	1st.	3rd.	1st.	3rd.	Total.			Miles.	Amount.	Miles.	Amount.
A.....		486½			4/-	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.		£ s. d.		£ s. d.
B.....	15			8/-		6 0 0	97 6 0							
C.....		12					2 8 0							
D.....		52					10 8 0							
E.....		10					2 0 0							
	15	560½	575½			6 0 0	112 2 0	118 2 0	11 16 2	106 5 10	40	42 10 4	60	63 15 6

DIVISION :—

* Agents' Commission.....	£ s. d.
Local Company's Proportion	11 16 2
R. C. H. Proportion	42 10 4
	63 15 6

* Due to _____

£ 118 2 0

“amount to divide,” the local and Clearing House mileage and proportions of the fares being entered as shewn in the example.

The particulars necessary to enable the Clearing House to make the settlement are then transferred to separate sheets, and sent away early in the month following that to which they relate.

The original statements are bound up, and the foreign Companies' proportions checked with the amounts entered by the Clearing House in the Passenger Debit Summary, in which the bookings by each special are entered separately, with date and reference to the returns.

We have now explained the entries which added together comprise the Gross Debit against the Company in respect of Passenger Bookings to or over the lines of its neighbours. This, however, may be subject to deductions for special items, as, for instance, allowances for working joint lines, which leaves the “*Net Debit for Passenger Traffic.*”

241. Division Lists.—Before passing to the passenger *Credit* statement it may be useful to explain the mode in which the foreign proportions of through fares are arranged and registered.

When it has been decided to issue additional through tickets, the Accountant is advised as to the stations, route, and fares agreed upon by the Superintendent or General Manager.

Division lists are then prepared.

If two Companies only are interested in the bookings, these statements are made up on Form No. 75 (App.), and the proportions due to each Company inserted by the Audit office. In this case, two lists are prepared, certified, and forwarded to the other Company interested for approval and signature. One list is kept by the foreign Company. The other is returned, registered, and filed for future reference.

The local stations concerned are then advised of the foreign proportions and their acknowledgment obtained.

When three or more Companies are interested in the proposed bookings, the division lists are prepared, and sent by the Clearing House to the respective Companies concerned.

In the preparation of these lists several conditions have carefully to be borne in mind, *e.g.*—it not unfrequently happens that the rate per mile of the through fare for a passenger does not coincide with the several Companies' mileage rate, taken separately; and as it is an understood thing that no Company shall receive in division of a through fare more than its local fare between the same points, certain Companies' proportions have to be reduced to the locals, and a further division made among those Companies whose proportions do not come up to their locals.*

Hence the mode of division often becomes the subject of negotiation and correspondence.

We now come to the

242. Clearing House Passenger Credit Statement.

—This contains an account of ordinary passenger fares received by other Companies on behalf of the local Company, and shews from month to month the commencing and closing numbers of the tickets issued, the numbers of unsold halves of tickets cut for children and non-issued tickets, the net quantity sold, and the local Company's proportion of the fares in each class between each pair of stations. The traffic booked by each Company is entered separately, and is usually sub-divided as follows:—(1) Traffic in which two Companies only are interested—as, for instance, bookings from Peterborough (G.N.) to Newcastle (N.E.) *viâ* York. (2) Traffic in which three or more Companies are interested—as, for example, Peterborough (G.N.) to Edinburgh (North British), *viâ* York and Berwick.

Separate statements are prepared of tourist and excursion traffic, the former shewing, in addition to the above particulars, the through fares and gross amounts received for each class

* "The Railway Clearing House: Its objects, work, and results."

and the mode of division. The excursion returns shew the point of departure and the destination of each trip; particulars of tickets issued; through fares and gross amounts received; also deductions therefrom for commission allowed to the booking Company; the net amount for division; and the Clearing House and local mileage and proportions for each class. The total number of passengers and local Company's proportion of the receipts as shewn by these returns are carried to and included in the additions of the "Passenger Credit Statement." The latter also contains full details of amounts collected by other Companies for excess fares in which the local Company is entitled to participate; also proportions due to it in respect of passengers travelling by wrong routes, and any special credits for working joint lines in respect of bookings over such lines by other Companies.

A summary is appended to the Passenger Credit Statement shewing the amount due from each Company to the Company for whom the statement is prepared, the total whereof is carried to the Coaching Traffic Abstract Book as an *addition* to traffic, and this amount is, of course, credited by the Clearing House in its monthly Cash Advice (243_a).

The Passenger Credit Statement is verified by the Audit department as follows:—

The progressive numbers of two Companies' traffic are checked with the collected tickets as in the case of local traffic.

The excursion returns are checked with the collected tickets.

The routes, local proportions of the fares, mileage division of tourist and excursion traffic, extensions and additions are then checked, care being taken to see that the totals of the tourist, excursion, wrong route returns, &c., are properly brought in.

243. *Wrong Route Returns.*—Claims in respect of passengers who have travelled over the local Company's line with tickets by other routes, are prepared in the Audit office

from the stations' "Wrong route" returns. Form No. 76 (App.) is used for this purpose and sent to the other terminal Company, when two Companies only are interested; a similar return being sent to the Clearing House, when three or more Companies are concerned.

Particulars of claims are registered before being sent away, and this record is afterwards compared with the Clearing House Passenger Credit Statements to see that the Company receives proper credit.

243a. Inaccuracies.—Errors or omissions in connection with the Passenger Credit Statements are registered; and in the case of three or more Companies' traffic, the Clearing House is requested to make the necessary adjustments in the following month's account; but where two Companies only are concerned the booking Company is asked to make the corrections.

The entries in the register are marked off as the erroneous items are cleared.

243b. Cash Advices are received from the Clearing House with the monthly Passenger Statements, Parcel Debit Statements, and Half-yearly Settlement Returns, shewing the balances on the respective traffic accounts due to or from the Clearing House.

These advices, after being compared with the returns to see that they agree, and certified by the Accountant, are handed to the Book-keeper to be entered and passed for payment. Credit balances are deducted from debit balances and a cheque drawn for the net amount.

"Credit" balances being *additions to revenue*, are entered in the Coaching Traffic Abstract Book accordingly, but "debit" balances being *deductions from revenue*, are entered in the Coaching Deductions Abstract Book, the total of which is carried to the Coaching Traffic Abstract Book and subtracted as already explained.

244. Private Settlements.—There is frequently a considerable amount of traffic, involving numerous charges and allowances under special arrangements with other Companies, the settlement of which is effected without the intervention of the Clearing House. In such cases the accounts are prepared and checked by the Audit departments of the respective Companies, the items being brought into the Traffic Abstract Book as additions to, or deductions from revenue, as required.

When the month's entries in the Abstract Books are complete, the particulars are transferred to the

245. Coaching Revenue Book, for the Book-keeper's use, as previously explained (196).

246. Government Duty on Passenger Traffic.—This account is prepared by the chief Audit clerk, certified, and handed to the Book-keeper to be entered and passed for payment as soon as the Coaching Traffic Abstract Book, from which the amount of traffic subject to duty is ascertained, has been made up each month.

GOODS AND MINERAL AUDIT OFFICE

247. This office deals with the returns of Merchandise, Cattle, and Mineral traffic; and it is proposed to describe the operations in connection with (1) Local goods and live stock traffic; (2) Foreign goods and live stock traffic; Clearing House and private settlements; (3) Mineral traffic, and (4) Mileage and demurrage of working stock. We must not lose sight of the fact that the receipts from all traffic entered in the goods abstracts, whether carted, not carted, *or mineral class*, are reckoned as for goods; and that mineral traffic, so called, consists of coal, coke, and lime, of which, as we have seen, returns are furnished by the stations to the Manager of that department.

When the goods and live stock returns are received from the stations, the first business of the Goods Audit office is to check the additions of those portions of the Summaries, Omission sheets, and Sack Abstracts that affect the debit ; also to see that the amounts are correctly inserted in the stations' monthly Advices of Totals, and that the totals of the latter agree with the Debit Lists as regards inward to pay, outward paid and extras ; and with the Paid on Summaries as regards paid ons. In comparing the totals the Goods Audit office takes charge of the station debits and the Station Ledger office of the station credits.

Advices of any differences found are registered, and sent to the stations for such explanations as may enable the Audit or Ledger office to rectify the returns ; failing which, they are recorded against the station in the Goods Traffic Abstract Book as under, and corrected in the following month. As, however, the rule that the totals must be balanced before the returns are sent in by the stations is strictly enforced, such differences rarely occur.

248. GOODS TRAFFIC ABSTRACT BOOK.

Name of Station.	INWARD TO PAY.			OUTWARD PAID.	EXTRAS.	Paid On.
	Summary of Totals has	Debit List has	Difference.	Same headings for each of these as "Inward to Pay."		
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.

This book is made up by the Goods Audit office and Station Ledger office conjointly. The Audit office enters each station's totals, inward to pay, outward paid, extras, and outward paid ons from the Advices of Totals. The Ledger office enters the corresponding totals from the Debit Lists and Summaries of

Paid ons; differences (if any) being extended to the columns for this purpose. This book, by adding together the whole of the entries, is thus made to shew the gross debit, also a portion of the credit (for paid ons) on account of goods and cattle traffic; and furnishes corroborative evidence of the correctness of the amounts which the Ledger office has to post to the debit of the respective stations and collectors of the Company each month.

So soon as the Clearing House apportionment of foreign traffic has been received; and the amounts due to or from other Railway Companies, agents, &c., in respect of traffic settled without the assistance of the Clearing House have been ascertained by the Audit department, these results are entered for the Book-keeper's use in gsor

249. Goods Revenue Book.—This, like the Coaching Revenue Book, shews on one side the gross revenue debit against the stations (less paid ons) for goods and cattle traffic respectively; also amounts due from the English and Irish Clearing Houses and other Companies; and, on the other side, the charges upon revenue, consisting of balances due to the Clearing Houses and other Companies.

It must be observed, however, that the revenue is subject to various deductions other than paid ons—for local allowances, past foreign overcharges, &c., which, being in the nature of credits to stations, are dealt with and verified in the Station Ledger office. Therefore the actual net debit against the stations for the month, in the case of goods and cattle traffic, is exhibited only in the Goods Revenue Balance Sheet prepared by the Ledger office; and in posting the Audit office figures, the Book-keeper deals only with the amounts due to or from the Clearing Houses and other Companies in respect of traffic subject to division (396).

An entry is also made in this book of the amount due for mileage and demurrage of working stock, the nature of which

will be explained in connection with the returns relating thereto.

We will now examine some of the details of the work.

250. Stations' Weight Book.—This is made up from the local and foreign summaries, and contains a summary of the "Carted," "Not Carted," and "Mineral" weights of goods, inward and outward, local and foreign, invoiced during each month.

These particulars are required for a return furnished periodically to the Board of Trade, and for other statistical purposes.

251. Local Goods Summaries.—The check put upon the returns of purely local traffic is a simple matter, and may be explained in few words.

The received and forwarded summaries respectively are first arranged in the order of the Accountant's station list. The received summaries are then compared with the forwarded in precisely the same way as the local parcel summaries are compared in the Coaching Audit office.

When differences are found the abstracts are referred to, and particulars of the discrepancies recorded on Form No. 77 (App.), which answers the purpose of a register, the entries being numbered progressively. Inaccuracy statements bearing the registered numbers and other particulars, are then sent for explanation to the stations whose debits or credits are affected; the date and initial letters of the stations to which the statements are sent being marked against the entries in the register, and the replies noted in the margin.

If a debit item has been omitted or understated, or a credit item overstated, the station is required to take the difference to debit in the following month's "omissions," and a note thereof is made.

If, on the other hand, a credit item has been under stated

credit is allowed in the same way. Debit items overstated are cleared by "local allowance." The station omission sheets are afterwards compared with the register or schedules of differences to see that all items have been properly cleared.

When a month's differences have been settled, the inaccuracy sheets for that month are tied up and stored away, a note of any items requiring further investigation being made in a book for this purpose.

It will be seen from the above that the abstracts are not examined unless differences are discovered between the summaries, and then only to find out the cause thereof.

252. "Particulars to Follow" Abstracts.—The uses and method of dealing with these were explained in connection with the stations' monthly goods returns (86).

253. Local Live Stock Summaries.—These are sorted and checked in the same way, but separate registers and inaccuracy statements, with headings corresponding to the nature of the traffic, are used.

Discrepancies are taken to account through a following month's omission sheet.

254. Local Transfer Summaries are likewise compared, the "outward" of one station with the "inward" of another, differences being registered, and the stations advised. Underdebits and omissions are required to be taken to account in the following month.

255. Under and Overcharge Summaries.—These are arranged in the order of the Accountant's list of stations, and checked with the current month's local and foreign under and overcharge sheets, which are dealt with in the following way :—

256. Undercharge Sheets.—It was stated in connection with the station accounts (82) that all undercharges discovered in forwarded or received, invoices were taken to debit by means

of undercharge sheets, whether undercharge invoices had been made out or not; and that the undercharge invoices were subsequently cleared by posting to the debit of the Accountant. It is necessary, therefore, to see that all amounts so cleared have been previously taken to debit, and to enable the Audit office to do this, it is furnished by the Ledger office with a list of these items each month.

When on checking the entries in this list with the overcharge sheets it is found that amounts have not been properly accounted for, the discrepancies are registered, and stations required to take the items to debit in the following month's omission sheet.

257. Overcharge Sheets.—All local overcharge sheets are numbered consecutively and sent to the forwarding or receiving stations whose debits are not affected by the overcharges, to be certified by the clerks-in-charge: *e.g.*, an inward to-pay overcharge sheet, Rugby to Crewe, would be sent to Rugby, whereas an inward paid overcharge sheet between the same places would be sent to Crewe to be certified.

If an agent hesitated to admit or certify an overcharge on the ground that his version of the rate, weight, or charge was the correct one, the matter in dispute would be referred to the Goods Manager and decided by him. If the latter disallowed the overcharge, the agent would then be required to re-debit himself through the following month's "omission"; all such cases being noted and the omission sheets examined to see that the re-debit items duly appear.

258. Foreign Overcharge Sheets.—After being numbered to correspond with progressive numbers inserted opposite the foreign entries in the overcharge summaries, the sheets are sent to the Goods Manager for him to certify and obtain the certificate of the Manager of the other terminal Company, in accordance with a regulation of the Clearing House. After

the certificates have been obtained and the sheets returned to the Audit office by the Goods Manager, they are sent to the Clearing House for division.

The station returns in connection with special cartages, boatages, &c. (83), are dealt with in a similar way, but are returned separately to the Clearing House.

Foreign overcharge sheets relating to past months' invoices, together with the vouchers received from the Ledger office (310), are numbered consecutively and entered in the Past Foreign Overcharge Register as indicated by the headings below:—

PAST FOREIGN OVERCHARGES FOR _____ 19__.

SHEET.				VOUCHER.			
No.	Amount.	Sent to C.H. per Schedule.	When sent to Goods Manager.	No.	Collector.	Station.	Amount.
	£ s. d.						£ s. d.

These, together with the current month's overcharge sheets, are then sent to the Goods Manager for him to obtain the necessary certificates, and are afterwards scheduled to the Clearing House in the same way as current month's overcharges; the vouchers, however, being retained by the Audit office.

Stations are allowed to take credit by overcharge sheet for foreign overcharges of any amount down to one penny, but they are not scheduled to the Clearing House unless the overcharges between the same pair of stations and by the same route amount in any one month to the sum of one shilling, and overcharges under one shilling which collectively amount to that sum or more are included, for division, in one entry. The regulations provide that unless overcharge sheets are sent to the Clearing House within twelve months from the date of the

account of the traffic to which they relate, they cannot be taken to account without the consent of all the Companies interested being obtained previous to sending the documents to the Clearing House for the division of the amounts. But when the settlement of traffic has from any cause been kept outstanding for a longer period than six months from the date of invoice, overcharges on such traffic are considered to be in order if sent to the Clearing House within six months of the settlement of the traffic to which they refer.

259. Omission Sheets.—These, as previously remarked, are checked with the local and foreign goods, and local transfer inaccuracy registers, to see that all omissions and other items in correction of previous months' abstracts have been taken to account. They are also compared with the advices of "re-debit vouchers" sent to stations by the Goods Manager's and Accountant's departments for amounts erroneously cleared, or cleared without proper authority, and required by them to be re-taken to debit.

260. Sack Abstracts.—After the totals have been entered in an abstract book and compared with the paid on and sack ledger summaries sent to the Station Ledger office, the "forwarded" abstracts are compared with the "received" to see that all local sacks entered in the former have been duly taken to account in the latter, the check principle being the same as that applied to the goods summaries.

The moneys are then checked in detail to see that the correct amounts for hire, risk, and demurrage have been taken to account in accordance with the terms upon which sacks are supplied to the public.

Discrepancies discovered either in the number of sacks, or in the money accounted for, are registered, and Inaccuracy statements (Form No. 78, App.) sent to the stations concerned, who are required to correct errors and omissions in the following

month's sack returns, and not in the goods omission sheets.

For further particulars as to checking and recording the charges in connection with re-consignments, &c., of foreign sacks at local stations, and on local sacks at foreign stations, see "Sacks" (102).

261. FOREIGN TRAFFIC.—CLEARING HOUSE AND PRIVATE SETTLEMENTS.—Having regard to the explanations bearing upon the Clearing House Parcel Settlements and the work in connection therewith in the Coaching Audit office, it will not be necessary to enter very fully into the settlements of foreign goods and cattle traffic.

The principles of division are in each case the same, though the special allowances for terminal expenses, tolls, &c., are far more numerous in goods than parcel traffic, and some of the details are differently worked out.

It is proposed, therefore, to give but a brief outline of the Clearing House work of the Goods Audit office, noticing only such matters as may appear from the different character of the traffic to require attention.

262. GOODS AND LIVE STOCK SETTLEMENTS are made monthly, whereas the settlement of parcel traffic is made half-yearly ; hence in the case of the former it is not essential that the Clearing House should render separate statements of the station debits of heavy traffic. These particulars are included in the monthly returns in which the mileage division is shewn, are collected by the Clearing House from the abstracts received direct from the stations, and afterwards checked in the Audit office with the station summaries.

A separate account, however, is furnished monthly, shewing the station debits and terminals earned in connection with *light* goods traffic ; and the mileage apportionment, as in the case of parcels, is made half-yearly.

The method of division is the same in both cases, but while the balances due to or from the Clearing House in respect of light parcels are, in consequence of the comparatively small amount to be divided, advised half-yearly only, interim balances on account of light goods are declared and paid monthly and adjusted half-yearly.

The *form* of the goods settlement will be found to be similar to that for parcels, although, of course, the heavier class of traffic dealt with in the "goods" necessitates some alterations in detail. Thus, goods terminals being calculated at so much per ton,—the rates varying according to the class of goods conveyed,—it follows that the weight of "carted," "not carted," and "mineral class" traffic must be inserted separately.

Then again in the "goods," outstanding items and corrections, being very numerous, are brought to account in the settlement each month, under the head of "supplementary debits." This reduces the number of calculations in making the division, and facilitates the work of the Audit office in checking the station returns.

Before the station debits are transferred to the settlements by the Clearing House, the forwarded abstracts and "light" summaries of the terminal Company are there checked with the received abstracts and light summaries of the others to see that they agree; discrepancies, whether in money or weight, being pointed out to the stations by means of inaccuracy statements sent through the Audit offices of the respective Companies.

These statements, as received from the Clearing House, are numbered consecutively, entered in a memorandum book as below, and sent to the stations to which they refer for an explanation of the difference.

Clearing House Inaccuracy No.	Where sent.	Audit No.	Date sent to Station.	Date returned by Station.

RAILWAY.

R. C. H. MONTHLY GOODS SETTLEMENT DIFFERENCE BOOK.

Station.	R. C. House. £ s. d.	Station Summary. £ s. d.	Difference. £ s. d.	Remarks, When Settled, &c.	Paid. £ s. d.	To Pay. £ s. d.	Paid on. £ s. d.
B.....				(a) R. C. H. enter	59 15 0	114 15 0	19 1 4
To N.....(Paid)	1 4 6	1 3 6	(c) 1 0	(b) Outstandings.....	10 0	7 0	
To O.....(Paid on)	17 0	19 0	(d) 2 0		60 5 0	115 2 0	19 1 4
Ex. P.....(To pay)	1 2 9	2 9	(e) 1 0 0	(c) Less	1 0		2 0
				(d) Add		1 0 0	
				(e) Less			
				(f)	60 4 0	114 2 0	19 3 4

NOTE.—(a) Total entered in Clearing House Settlement. (b) Items treated as “outstanding.” (c, d, e) Assuming the Clearing House Statement to be correct, Station “B” would be required to enter these items in following month’s “omissions.” (f) Total of “B”..... Station Summary.

If the station replies that its version of weight and charges is the correct one, it is not requisite for the Audit office to do anything further than to record the date returned, and to send the statement back to the Clearing House, the station's reply being usually written across the form. But in all other cases particulars of the discrepancies and the station replies are copied into Foreign Inaccuracy Registers (Form No. 79 App.) before being returned to the Clearing House; and when the errors are in connection with other Companies' debits or credits, and the replies confirm the Clearing House figures, the summaries are altered in red ink by the Audit office to agree, the entries in the registers being marked off as this is done. This saves considerable trouble when testing the "other Companies' debits" of the Clearing House Settlement.

Errors affecting the local Company's debits are not altered in this way by the Audit department, because it is necessary to follow these up, and see that the items are subsequently accounted for or corrected in the station omission sheets.

When station differences can be rectified, and the inaccuracy statements returned to the Clearing House before the accounts of the month to which they relate are closed, the abstracts (or summaries in the case of light traffic) are altered by the Clearing House, and the corrected figures included in the monthly settlement. All items, however, about which the stations cannot agree by the above time, are struck out of the abstracts (as in the case of parcel differences) and treated as "outstanding."

263. The Clearing House Goods and Live Stock Settlements; Station debit return of light traffic; schedules of items treated as outstanding, and corrections taken to account as "supplementary debits"; and statements of through traffic, tolls, claims, bad debts, &c., are, as a rule, received by the Audit office



early in the month but one after that to which they relate, and are verified in the following way, viz. :—

The local and other Companies' station debits are compared and balanced with the station summaries, the stations' "light" summaries (Form No. 42 App.), together with "appendices" giving particulars of any alterations therein, being returned for this purpose by the Clearing House.

Totals only are compared in the first instance, but if these do not agree, the details are checked, particulars of the differences being recorded in books for this purpose. (See "Difference Book," in which a specimen entry is given.)

Especial care is taken by the Audit office to see that all differences included by the Clearing House affecting its own stations' debit are duly taken to account through "omissions" by the stations concerned; the inaccuracy registers and "Difference," or, as they are sometimes called, "Balancing" books, not being marked off until this has been done; nor, in the event of items being wrongly included by the Clearing House, until such items have been entered in a monthly claim account (or schedule of errors) to the Clearing House, and cleared in a subsequent month's settlement. The Audit office also pays particular attention to other Companies' debits and credits, to see that the former are not understated, nor the latter overstated by the Clearing House; also to the lists of outstanding invoices, to see that all are subsequently brought to account or cleared.

The monthly claim account, or "schedule of errors," above referred to, should be made up so as to reach the Clearing House within six months from the date the settlement returns are received, and should include particulars of all errors and omissions relating to the month for which the return is rendered, that have not been previously cleared. This schedule is accompanied by copies of invoices (obtained from the stations) for other Companies' items not included by the Clearing House to enable

the latter to take up the cases with them. The schedule is afterwards returned with the Clearing House remarks, stating when the items will be brought to account, or with such information as may enable the Audit office to close the list.

264. Overcharges taken to account in the current month are also included with the "supplementary" debits, abstracts of these items being furnished by the Clearing House. (*See next page.*) To enable the Audit office to check other Companies' credits for overcharges, it receives from the Goods Manager a monthly list of foreign Companies' overcharge sheets certified by him.

All details of the supplementary debits in the Settlement having been marked off with the outstanding lists, difference books, and inaccuracy registers, and overcharges with the overcharge summaries (258), the weights, terminal allowances, tolls, and mileage apportionments are next checked.

The rates for terminal expenses vary according to circumstances, but if it should happen that in any instance the gross amount of traffic does not exceed the amount allowed for cartage, the regulations provide that the division shall be made as if the goods had been invoiced at station to station rates. All advices of special allowances, dock and harbour dues, tolls, mileage, &c., are preserved in guard books in convenient order for reference.

Errors found in checking the calculations, &c., of the Settlement are noted in the "Difference" books. The errors are included in the "claim" account to Clearing House previously referred to, and marked off when corrected in a following month's account.

265. Through Traffic.—Separate division sheets of through traffic shewing the gross receipts, other Companies' terminals, tolls, and the intermediate Company's mileage proportion, are prepared by the Clearing House and included in the summary of the Settlement. These can be checked in the Audit office only as regards the mileage proportions, except

R. C. H. OVERCHARGES, &c., INCLUDED IN THIS MONTH'S GOODS SETTLEMENT.

Month of 19-- Between H..... and K..... Route, viâ

Register Numbers.					Weight Invoiced.				Weight should be				..... Co.		Other Cos.					
		No.	Co.	No.	R.C.H.	Date.	Carted. T. C.	Not Carted. T. C.	Minerals T. C.	C. T. C.	N.C. T. C.	M. T. C.	Dr. (a)	Cr. (b)	Dr. (c)	Cr. (d)					
Overcharges.						10/5	2	0		1	0		£ s. d.	£ s. d.	£ s. d.	£ s. d.					
							5			2				1 5 0							
							5										10 0				
Outstanding Invoices.						29	Paid on. (b)		Paid. (a)		To pay. (c)		1 7 6		2 1 8						
							£ s. d.	£ s. d.	£ s. d.	£ s. d.											
						From H.....		9/5													
						From K.....		20/5	75										1 7 3		6 2 1 7 3
Corrections.						Less, weight invoiced											2 14 9	1 5 0	2 7 10	1 17 3	
						TOTAL															
						TOTAL															

when traffic invoiced by other routes has been sent by the local Company's route. In these cases the Accountant is advised by the Goods Manager, and it is seen that the Company is credited with its share of the through charges.

266. Tolls.—Detailed statements of tolls due to the Company in respect of other Companies' traffic passing over portions of its line, and not elsewhere included, are also furnished by the Clearing House. The total amount is carried to the summary of the Settlement.

267. Competitive Traffic.—It has been shewn that competitive traffic may be made the subject of special agreement between the Companies interested; as, for example, traffic between London or places north thereof, and the Continent.

The principles of division have been sufficiently illustrated in connection with parcel traffic (231) and it is only necessary to add here that in the case of competitive goods traffic carried under similar arrangements, special abstracts and declared returns of the traffic would be likewise furnished to the Clearing House to enable it to make the division. The net results thereof would in the same way be entered in the summaries of the monthly settlement with each Company, a detailed abstract of the items being furnished at the same time to enable the respective Audit departments to check the apportionment.

268. Foreign Claims.—The Audit office is furnished by the Goods Manager with a statement of foreign claims paid by the Company during each month, on a form somewhat similar to the one used for coaching claims (232), together with the vouchers on which the assent of the other Companies interested has been obtained. This statement, after being compared with the Goods Manager's Claims Register, of which it is a copy, is sent to the Clearing House, by whom the loss is divided in the manner described for coaching claims.

Particulars of the division are entered by the Clearing House

on forms for this purpose, the total being included in the goods Settlement. The details and mileage apportionment of the loss are checked by the Audit department by means of the Register above referred to, in which the date of settlement is recorded.

A monthly account of claims paid by other Companies, to which the Goods Manager has given his sanction, is also sent to the Accountant (as in the case of "Coaching") to enable him to check the Clearing House settlement, and any items included in the latter that do not appear in the former are investigated.

With local claims the Goods Audit office has nothing to do beyond checking the Station Ledger office abstracts of the re-charge invoices, which, of course, include local as well as foreign claims.

269. Bad Debts.—It is a rule of the Railway Clearing House that losses arising from bad debts shall be divided among all the Companies interested in the traffic (whether invoiced through or locally) according to the share of the proceeds they may have received, including terminal expenses; the Companies themselves providing the Clearing House with data for apportioning the loss.

The Accountant, therefore, is advised by the General Manager of bad debts submitted to other Companies and scheduled by him to the Clearing House for division; also of any bad debts made by other Companies that have been allowed by him.

The division is made on the forms used for claims, and is checked by the Audit department from the General Manager's advices; especial care being taken to see that the Company is credited with the foreign proportion of its own losses, and that it is not charged with bad debts made by other Companies, except such as have been sanctioned by the Manager.

When compositions or dividends in respect of foreign bad debts are subsequently received, the Accountant and Clearing

House are advised by the General Manager and the money apportioned on the basis described above.

270. Clearing House Summary.—After all the foregoing details have been checked, the Grand Summary of the Settlement is examined. This is made up from sectional summaries, and shews—after adding tolls, and the results of the division of through traffic, “agreement” traffic (if any), claims, and bad debts—the **Net Balance due to or from the Clearing House in respect of Goods Traffic for the month.**

271. Live Stock Settlements.—The Clearing House returns of live stock traffic are made up and dealt with in practically the same way as the “goods.” It is not necessary, therefore, to allude to them further than to say that the original station summaries are returned with the Settlement to the Accountant, in order that the entries may be compared.

272. Joint Line Traffic.—When a joint line is owned by two or more Companies and is worked by one of them for the joint account, the working Company usually receives for the service a per-centage of the joint receipts.

In such cases, for Clearing House purposes, the joint line is regarded by the owners as a separate interest, and all traffic to or from its stations is abstracted as “foreign.” The working Company is then debited by the Clearing House with the gross receipts (inward to pay, outward paid, less outward paid ons) on the joint section; and credited with its per-centage allowance for working expenses on the joint line proportion of the receipts from all traffic to, from, or over it, and the usual terminal allowances at the working Company's own stations.

The residue is then credited to the joint account and divided between the owning Companies in such proportions as may have been agreed upon; the amount of capital subscribed by each towards the cost of the joint line being frequently taken as the basis of division.

RAILWAY. PRIVATE SETTLEMENTS.

LOCAL TRAFFIC FROM _____ TO _____

19 .	Carted. Tons. C.	Not Carted. Tons. C.	Minerals. Tons. C.	Over- charges. £ s. d.	Paid Ons. £ s. d.	Paid. £ s. d.	To Pay. £ s. d.	Amount to Divide. £ s. d.	Miles.	"B" Co.'s Proportion. £ s. d.
Outwards.										
January	12				3 7	4 6	9 4			
February	1			1 0		1 3 4				
March	19	4 0		1 10		1 13 7	1 6 4			
April	3				8 4	12 6	2 14 0			
May	1	17					1 13 6			
June	3	8			12 9	1 2 4	2 9 4			
Inwards (a)	11	13	2	1 3 7	1 2 6	14 7 8	5 10 8			
				1 6 5	2 7 2	19 3 11	14 3 2	33 7 1		
				"A" Co.'s Terminals.		"B" Co.'s Terminals.		3 13 7		
				3/-	2 11 4	@——		29 13 6		
				8/-	9 0 5	@——				
	22	11			11 11 9			11 11 9		
								18 1 9	5/77	1 3 6

(a)—These items are abstracted on a separate form.

RAILWAY.
SETTLEMENT OF TRAFFIC BETWEEN THE "A....." AND "B....." COMPANIES,
FOR SIX MONTHS TO JUNE 30TH, 19—.

Between.	Weight.			Gross Receipts. £ s. d.	Terminals. (a)				Amount to Divide. £ s. d.	Miles.	"B" Co.'s Proportion. £ s. d.
	Carted. T. C.	Not Carted. T. C.	Minerals T. C.		Rate.	"A" Co. £ s. d.	Rate.	"B" Co. £ s. d.			
W _____, and L K D and so on.	22 11	17 2		29 13 6	8/- 3/-	11 11 9		18 1 9	5 77	1 3 6	
TOTAL due to "B" Co. . .									£		

(a) As the "A" Company is supposed to have its own unloading and carting staff at the joint station as well as at the forwarding station, it is credited with double terminals.
This return is for six months. As a rule the settlements are effected monthly.

Joint lines are sometimes worked by a Joint Committee composed of representatives of the various owning Companies. In such case the Committee is dealt with in all respects as a foreign Company; it keeps separate accounts; and the net revenue is divided half-yearly according to the amount of capital subscribed.

273. Irish Railway Clearing House.—The functions of the Irish Clearing House are precisely the same in relation to through Irish traffic returned to it for settlement, as those of the English Clearing House in respect of through English traffic, the settlements being checked with the summaries and dealt with by the Audit department in the same way in each case. It is, however, obvious that steamboat proportions, dock and harbour dues, constitute a more important element in Irish settlements than in the English.

274. Private Settlements.—As in coaching traffic, a large amount of goods and cattle traffic is settled between the Companies interested without the assistance of the Clearing House, and the duty of making the division devolves upon the Audit offices.

Take, for example, the case of a joint station, to which one of the owning Companies' trains (say "A") have access by running over a short length of the other owning Company's line (say "B"). In this instance all traffic to the joint station from "A" Company's own stations would probably be abstracted as "local," and it would devolve on the Audit department of that Company to prepare a statement of the tolls, or mileage proportion of its local receipts due to "B" for the above privilege.

It is shewn on the preceding pages how this statement is prepared, the necessary materials being obtained from the abstracts and summaries of traffic. The gross station debit is first ascertained, from which paid ons, overcharges, and

terminals are deducted, leaving the amount for division, "B" Company's share being extended.

A separate form is used for traffic with each local station, and the results summarized as shewn. The summary is then certified, press copied and sent to "B," that Company being credited by an entry in the Goods Revenue Book, and allowed to check the statement with the local returns as far as it may deem necessary.

The toll or mileage proportion due to "B" in respect of *foreign* traffic might be either credited to "B" by the Clearing House, or to the Company exercising running powers. In the latter case the toll would be credited to the owning Company in the private settlement of local traffic.

Other illustrations, in some cases more complicated by reason of more Companies participating, or by reason of steamboat traffic, and dock and harbour dues entering into the settlement, might be given; but the above will serve to shew how private settlements are usually effected.

275. Clearing House Balances.—Advices are received by the Accountant every month, shewing the balances due to or from the Clearing House according to the detailed statements received at the same time. These are always paid promptly as declared, errors or omissions found in checking the statements being corrected, as already pointed out, in subsequent returns.

We saw at the opening of this section how the totals of the local returns and the balances exhibited by the various Clearing House statements and private settlement returns, due to or from the Company in respect of foreign traffic, are brought into the Goods Traffic Abstract and Revenue Books, and we will now, therefore, consider the returns of Mineral traffic.

Traffic between each pair of stations on account of each trader is kept distinct from the rest, the name of the forwarding station being written at the top of the page, and that of the receiving station at the head of each column in which are entered the dates, number of wagons, and weight, as shewn by the abstracts. When all the entries have been made, the monthly totals are inserted.

These totals are afterwards compared with the inward monthly abstracts of the receiving stations to see that the weights agree ; and thus the test is in this respect practically the same as that applied by the Goods Audit office to outward and inward local goods summaries.

When differences are found, the details are examined, and errors taken up with the stations corrected in a future account.

In the case of foreign outward mineral traffic, however, the weights cannot be compared in precisely the same way, returns not being received from foreign Companies' stations. The check in this instance is exercised by the other Companies, who compare the details of the monthly accounts rendered by the Accountant (288) for their share of the receipts, with the invoices accompanying the traffic (or with abstracts thereof furnished by their own stations) in the same way as the *local* Company checks *its* proportion of foreign receipts, *viz.*, by comparing the details of other Companies' statements of *forwarded* traffic with the monthly abstracts of *received* traffic furnished by its own stations.

It may be as safely left to a foreign Company to point out, in its own interest, an item which may have been omitted or understated in an account rendered to it by the local Company and discovered by the above process, as to the latter to point out a similar error discovered by the same means in the accounts of the former. On the other hand, colliery proprietors may be relied on to see that their accounts do not include items except for traffic actually declared by them.

279. Reverting to the Mineral Account Ledgers, after the monthly weights between each pair of stations have been compared with the abstracts, they are extended to the "total weight" column; the rates being next inserted, and the charges calculated and added up.

As a check upon the calculations, the weights, rates, and other particulars, *except money*, are entered in the toll accounts to be sent out to the public, the charges being worked out by separate clerks independently of each other, and afterwards agreed with the Ledgers.

The next step is to enter the amount of each trader's account in a *Supplementary*, or as it is sometimes termed,

280. MINERAL WASTE LEDGER.

Month of _____ 19__.

Name.	Amount of Account.	Initials.	Under- charges.	Gross Amount.	Over- charges.	Net Amount.
	£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.

The "amount of account," or debits for the current month, should, of course, agree with the entries in the Mineral Account Ledgers; undercharges, omissions, &c., belonging to previous months being added thereto, and overcharges and allowances deducted, leaving the net amount for collection.

281. In order that a proper daily record may be kept of undercharges, omissions, overcharges, allowances, &c., these are posted, as discovered or advised, to the accounts of the parties to be debited or credited, in books for this purpose, called "Special Debit" and "Allowance" Ledgers. The monthly amounts are entered in the Waste Ledger as mentioned above, and then added or deducted as the case may require at the foot of the traders' toll accounts and marked off.

Particulars of allowances are entered on forms similar to those in use for "goods," and these are sent with the accounts to be vouched by the traders as explained farther on (362).

282. Mineral Transfer Register (*see next page*).—This book is used for recording amounts requiring for various reason to be transferred from one account to another. These amounts are added or deducted at the foot of the traders' accounts at the close of each month.

The following statements are made up monthly for the Accountant :—

283. Mineral Debit List.—This includes the whole of the accounts to be sent out for the month, and shews in separate columns (1) the gross amount of each as per Waste Ledger; (2) Dr. and Cr. transfers, which must agree with the transfer register; (3) overcharges or allowances, as per vouchers and Waste Ledger; and (4) the net amount. Although the net totals of the accounts, taken separately, will not correspond with the entries in the Waste Ledger owing to the transfers, the grand totals for the month should of course agree, and this agreement is the final test of their accuracy in the Mineral Manager's office.

For the purposes of collection, the entries in the Mineral Debit List are grouped as follows :—

- (1) Accounts for collection by the General Manager.
- (2) Sundry accounts for collection by the collectors of Goods Ledger accounts.
- (3) Accounts against other Railway Companies to be passed to their debit in the Accountant's General Ledgers.

The list includes Porters' as well as Ledger accounts. Both are made up in a similar way, Porters' accounts being those which goods agents have been requested to collect. Of these a supplementary detailed list is made out, the totals only of which are included in the principal list.

284. Statements of Traffic (Form No. 80, App.).—These are made up from the Mineral Account Ledgers, and shew the gross weight between each pair of stations, both local and foreign, through rate and amount.

Traffic from each local station to the stations of each foreign Company is entered on separate sheets; undercharges and overcharges are added or deducted, a grand total, agreeing with the totals of the Waste Ledger and Debit List, being made for the month.

The Debit List, toll accounts, and allowance vouchers are sent to the Accountant's Station Ledger office, and the Statements of Traffic, undercharges and overcharges, to the Audit Office.

285. Weekly Siding Rent Returns.—These are examined and the stations advised of such amounts as are to be collected, the items being included in the Debit List

286. Stations' Weekly Summaries of Outward Traffic.—These are used for compiling the weekly traffic return for publication. The local proportions of the rates and tolls are inserted in the columns for this purpose and summarised for the Accountant. The local proportion of foreign inward traffic is ascertained from returns furnished by other Companies.

287. Actual and Declared Weights.—In order to secure an approximate check on declared weights, trucks of coal selected irregularly at various places on the route are weighed, returns of the weighings being sent to the Mineral Manager. These returns are compared with the declarations, or abstracts, and the senders advised of any important differences.

MINERAL TRAFFIC (ACCOUNTANT'S DEPARTMENT).

The principal duty of the Accountant's Audit office in connection with the returns of mineral traffic is to apportion to

other Companies their share of the tolls on foreign traffic, the settlement of which, as already stated, is effected without the assistance of the Railway Clearing House.

288. The Division is made in two ways, each leading, however, to practically the same result.

In both cases the foreign proportion is worked out on the mileage principle; but in one instance this principle is applied to the gross sum to be divided to find the gross foreign proportion, and in the other it is applied to the through rate to find a new or foreign proportion rate per ton. The terminal allowances are deducted in both instances before the division takes place, and afterwards added to the gross sum in the one case, or to the foreign rate in the other.

For example, let us assume 400 tons of coal to have been carried from A to C, viâ B, the entire distance being 164 miles, and from A to B, 75 miles. Through rate 10s. 3d. per ton. Gross receipts £205.

Then, under the first method, the division would be made as follows:—

Gross receipts.....	£205	0	0
Less, Terminals (2d. per ton at each end)	6	13	4
For Mileage Division	£198	6	8
Of which "A" takes $\frac{75}{164}$ ths, or	90	14	0
and half terminals.....	3	6	8
"A's" share.....	£94	0	8
"C" takes $\frac{89}{164}$ ths, or.....	£107	12	8
and half terminals.....	3	6	8
"C's" share.....	£110	19	4
Total "A" and "C" as above...	£205	0	0

Under the second plan the mileage principle is applied to the through rate as follows :—

Through rate $10/3$ per ton, less 4d. terminals = $9/11$ net.

Then, $\frac{7.5}{16.4}$ ths of $9/11 + 2$ d. terminals = $4/8.42$, "A's" share.

$\frac{8.9}{16.4}$ ths of $9/11 + 2$ d. terminals = $5/6.58$, "C's" share.

Whence "A" takes £94 0 8, being 400 tons $\times 4/8.42$.

"C" ,, 110 19 4, being 400 tons $\times 5/6.58$.

Total as before ... £205 0 0

In actual practice anything over half a farthing is taken as one farthing; anything under half a farthing not being considered in determining the new rates. Thus, $4/8.42$ would be called $4/8\frac{1}{2}$, and $5/6.58$ would be called $5/6\frac{1}{2}$.

The second plan necessarily involves a large amount of trouble in the first instance, and again whenever alterations of the through rates are advised by the Manager; but this is amply compensated for by the saving of time subsequently effected in making up the monthly accounts, inasmuch as terminals have not then to be considered separately, the calculations are greatly reduced in number, and are more readily worked out at so much per ton than by fractional parts of the gross receipts.

Some Companies elect to have their accounts made up by one of the above methods, and some by the other.

In either case the foreign rates or mileage proportions are registered in convenient order for reference, and the first thing to be done after the monthly statements of traffic are received from the Mineral Manager's office, is to draft the particulars therefrom to Abstract Books for the purpose of calculating the foreign proportion. The abstracts are made up to shew the traffic to each foreign station, whence sent, weight, foreign proportion rate (or gross receipts and mileage), and amount as worked out. Each Company's traffic is kept distinct and added up to shew a total for the month.

After adding or deducting the foreign proportion of previous months' under- or overcharges, &c., the details are transferred to statements to be sent to the Companies interested (Forms 81 and 82, App.). All statements are checked, balanced with the Abstract Books, and press-copied before being sent away.

The traffic being classified in the mineral office statements under the head of each *forwarding* station, it will be seen that the reversal of this order in the Abstract Books to shew the gross traffic *to each foreign station*, from probably one hundred to a hundred and fifty different places, to enable the other Companies to check the weights with their received abstracts, must necessarily be a lengthy process, and require considerable care, especially when it is considered that on a heavy mineral line the traffic amounts to several hundred thousand tons monthly, and that twelve to fifteen thousand pairs of stations on twenty-five to thirty different Railways may be concerned therein.

The allocation to other Companies of their share of tolls on traffic over joint or worked lines, also constitutes an important feature of the settlement.

Other Companies' statements of tolls due to the local Company on traffic invoiced by them to local stations are checked, as regards the weights, with the received foreign abstracts in the Mineral Manager's office, and as regards the rates and calculations in the Audit office, the total amount being, as a rule, deducted from the contra account in settlement.

289. Mineral Revenue Book.—This is similar to the Goods and Cattle Revenue Book previously described. It is made up for the Book-keeper's use from the monthly statements of traffic and accounts rendered to or by other Companies, and shews (1) the gross mineral revenue for the month; (2) amounts due from other Companies, or credits to revenue; and (3)

amounts due to other Companies, &c., or debits against revenue (398).

It should be added that canal earnings are included in the gross mineral revenue, but, in order to comply with statutory requirements, are shewn separately in the statements of traffic and debit lists by the Mineral Manager's office and transferred therefrom to the credit of canal revenue by the Book-keeper, the amount being noted in the Mineral Revenue book to enable him to do this.

MILEAGE AND DEMURRAGE RETURNS.

290. It has now to be shewn how Companies are remunerated for the use of their carriages, wagons, and sheets which may for the time being pass from their own line to the lines of their neighbours.

The charges are assessed under two heads, *viz.* :—(1) Mileage, (2) Demurrage. The first denotes charges at agreed rates per vehicle or sheet per mile by the owning Company for the actual distance stock has travelled while loaded over foreign lines, those lines being debited with their respective proportions and the owning Company credited. The second denotes charges at so much per day for detention of stock by foreign Companies beyond the time specified in the regulations, and for stock sent in wrong directions.

Although Railway Companies make returns of foreign stock arriving at and departing from their own stations, and furnish certain other information to the Railway Clearing House bearing on the movements of stock, they are wholly dependent on the Mileage department of that establishment for the collection of the principal particulars and apportionment of the charges. The nature and importance of this work is admirably described by the authors of the articles in the "Railway Fly Sheet," to

whom we are indebted for several previous quotations. They say:—

Whilst the amount of money taken to account and absolutely cleared by the Mileage department of the Railway Clearing House is less than either the Merchandise or the Coaching, its importance is considerable, for upon its operations many parts of the superstructure of the Clearing system rest. The difficulties which beset the earliest attempts made to work through traffic have been already pointed out, and it is due, in some measure, to the organisation and development of this department, that they have been entirely overcome. The Mileage department deals with the rolling stock of every Company when it passes from the parent line, watches and records its progress and return, and apportions the charges appertaining thereto. The system pursued renders it next to impossible for stock without acknowledgment to be used, detained, or unfairly dealt with, and supplies the security needed by the different proprietors, whose property, in the interests of public convenience, passes for the time being out of their own possession and jurisdiction; securing, as it were, to the country the advantages of a state proprietorship of all the existing lines, without losing the benefits which private enterprise, combined with personal responsibility, are ever likely adequately to supply. Whilst the Merchandise and the Coaching divide the receipts chargeable to the public for carriage between the interested Companies, the Mileage department takes to account the earnings of rolling stock on foreign lines, and in addition, credits the owners with those earnings; in that operation practically taking charge of the stock whilst away from home, ascertaining where it goes, how, *i.e.*, by what route, and the nature of the traffic carried. This will appear more clearly as the details are noticed. The information upon which the Clearing House act is supplied principally by their own staff stationed in every part of the kingdom, and partly by the Railway Companies themselves. At every point or junction at which traffic of any importance is exchanged, the Clearing House employ the services of number takers whose duty it is to examine and note each train passing, sending an exact return to the head office of the number and description of each vehicle and sheet, the nature of the traffic, with the date, time, forwarding station, route, and destination. At the same time every station, at which foreign stock is received, makes a similar return, giving the date and station from which received, and how and when disposed of. In these returns each Company's stock is kept separate, as are also carriages, wagons, and sheets.

The recording of these numbers and the comparison of the returns, together with the tracing of each individual vehicle or sheet from the time it leaves till it returns home, the careful noting of the exact route travelled, the time occupied, and the administration of the varying regulations under which foreign stock is used, form the principal work of the Mileage department. The immense array of figures thus brought together, the necessity of verification of numbers, more often than not reaching to five figures, some of which are frequently obscure, and in passing the different junctions variously rendered, involves a large amount of patient, careful working, and considerable discriminating power on the part of the staff of clerks employed.

In addition a good Mileage clerk must be well up in the topography of the different lines, so that he may be able, without constant reference to the map, to know how traffic is working, and make the necessary charges under the regulations, which provides for all circumstances incidental to the use of foreign stock.

Another important feature of the Mileage department is the assistance it renders the Merchandise in ascertaining the route by which goods have been carried. It has been shewn how the forwarding and receiving abstracts sent to the Merchandise, whilst containing the wagon numbers, often differ, or do not give the routes by which traffic is to be, or has been taken. All such cases are referred to the Mileage department, which is enabled by the wagon numbers to determine the correct route, thus clearing up at once questions which might involve endless correspondence. The Mileage also takes the initiative in advising the Merchandise when traffic is carried by exceptional routes. The charges for detention and wrong sending, or what is best known in the service as the demurrage account, are rendered to the Companies monthly. Particulars of each item are given for the purpose of enabling the Companies to check them, and make the necessary enquiries. The mileage charges are made quarterly. As in the other departments of the Clearing House, the absolute cash transactions are limited to the balance due to, or by a Company. On one side of each balance sheet is shewn the charges due from all Companies to the owners of one stock, on the other the earnings of all stocks on the line of one Company. The Companies are then advised of the difference, which is either received or paid by the Clearing House.

291. The Returns of the arrival of foreign stock at local stations above referred to, and of its departure therefrom, are made on Forms No. 83 to 85 (App.). Those relating to coaching stock are sent weekly to the Coaching Superintendent, and those relating to wagons and sheets to the Goods Manager to be examined, after which they are forwarded to the Clearing House to be there dealt with.

292. Monthly Returns (Forms 86 and 87, App.) are also prepared of foreign wagons re-labelled and sent forward with the same load, and of foreign wagons received from other lines containing less than one ton of goods. These are sent to the Goods Manager, who furnishes particulars thereof to the Railway Clearing House and claims exemption from charges for detention or wrong sending in accordance with one of the regulations.

293. Exemption from demurrage is also claimed by the

Goods Manager when foreign vehicles are found to be unfit to travel, the particulars being obtained from returns supplied by the stations. The owners of the vehicles are advised, also the Company's Mechanical Superintendent, in order that the necessary repairs may be executed and accounts rendered.

294. The Clearing House Monthly Demurrage Accounts sent to the Audit office contain the following particulars:—(1) name of the parent Company, or of the Company by whom vehicles were wrongly sent or detained; (2) number of each vehicle; (3) dates on which they left, and were returned to the parent lines; (4) stations where the demurrage was incurred, or the points between which vehicles were wrongly sent; (5) number of days chargeable, the rate, and amount. Debit and credit items are entered in separate accounts, and the entries so arranged that the total amount due to or by each Company may be readily ascertained.

After the details and charges have been examined by the Audit department, the "debit" statements (*i.e.*, those charging the Company with demurrage on foreign stock detained on its own lines or stations) are passed on to the Traffic department in order that explanations may be obtained from the stations where the expenses were incurred. When it appears from the replies elicited that the Company has been wrongly charged, the disputed items are referred to the owners of the stock or to the Clearing House, by whom errors are corrected in a subsequent month, the Audit office being advised of all such items by the Traffic department to enable it to check the Clearing House corrections.

In like manner when foreign Companies dispute demurrage charges on the local Company's stock, and the amounts claimed by them are allowed by the Manager, the Railway Clearing House and Accountant are advised that the necessary corrections may be made in a subsequent month's account and passed.

295. The Quarterly Mileage Account contains simply a summary of the amounts owing to or by each Company for the quarter. It is made up by the Clearing House with careful regard to the interests of the Companies concerned, and the respective Audit offices have no materials in their own possession enabling them to test its accuracy. This, however, is seldom called in question, but Companies are at liberty to institute any enquiries, or make any examination of the returns at the Clearing House relative to their own stock or traffic, which they may deem desirable.

For the guidance of the Book-keeper a note is made in the Goods Revenue Book of the monthly or quarterly balances due from or to the Railway Clearing House for demurrage and mileage of stock.

296. Various Returns, other than those referred to, respecting local as well as foreign working stock, are furnished by the stations to the Coaching Superintendent and Goods Manager to enable them, as stated in a former section, to watch and regulate the movements thereof, partly with a view to keeping down mileage and demurrage expenses, and partly to enable them to meet traffic requirements.

STATION LEDGER OFFICE.

297. Whilst it is the duty of the Audit departments to verify the station debits as set forth in the Classifications, Abstracts and Summaries of traffic, it rests mainly with the Station Ledger office to look after the station credits; to trace to the hands of the Secretary or Bankers of the Company, all cash shewn by the Station Agents' and Collectors' Daily Advices and Monthly Returns as having been remitted on account of traffic; and to see that credits entered in the returns for allowances, &c., are properly vouched. In this latter respect the Ledger office has the co-operation of the Accountant's staff of Inspectors, to whom documents for which credit is taken are handed for examination and comparison with the entries in the books kept at the stations. The Inspectors also see that proper receipts have been obtained for all items of paid ons by "paid ons clerk," vouchers for which do not reach them through the Ledger office.

Another important duty devolving on this office is that of keeping Accounts-Current with each Station and Collector and with Customers to whom credit is allowed. Such accounts are, indeed, a natural sequence to the work performed by the Audit departments. They shew for coaching, goods and minerals respectively, the debits as determined by the Audit offices on the one hand, and the credits for cash remitted, allowances, and deductions on the other. The balances of these accounts are struck to ascertain the amounts outstanding or owing to the Company on the first day in each month, the particulars being afterwards summarised and the results set forth in succinct balance sheets for the Book-keeper's use.

Although the Ledger office deals with coaching, goods and mineral revenue, the goods traffic accounts occupy by far the largest portion of its time and demand the greatest care on the part of its staff. For the coaching and mineral accounts two Ledgers may be sufficient for recording the totals and balances, while for the goods a large number, in some cases probably thirty-five to forty, each containing from eight hundred to twelve hundred pages, may be required every year. As may be supposed where such a vast number of accounts have to be kept, much depends on the exactness of clerks at out-stations, many of whom have no idea of the time and labour necessary to adjust differences when returns are not prepared with sufficient care.

298. COACHING ACCOUNTS.—Of all the accounts with which the Ledger office has to deal, the Coaching are, perhaps, the least complicated. This is explained mainly by the fact that the coaching business is essentially a ready money business, and that the exact value of passenger tickets sold is, or should be, remitted daily by the stations, the greater part of coaching outstandings being for debts on parcel and miscellaneous traffic, not amounting, on a well managed Railway, to more than one or two per cent. of a year's traffic from that source; and even this amount may represent little more than the debits in respect of articles carried on the last days of the month and not delivered till the first of the following month.

299. The principal account of coaching traffic kept by the Ledger office is one shewing:—(1) the amount of each station's daily remittances; (2) the amount of the classification debit, and (3) the difference or amount outstanding. This record is made in the **Coaching Summary Book** (*See following page*).

The stations' daily remittances (including soldiers' warrants) are copied from the bank sheets (35 and 180) into the dated columns provided, and the monthly total for each station is

obtained by adding the amounts across. The classification debits are copied from and agreed in total with the Coaching Traffic Abstract Book (written up in the Audit office), the differences, or balances outstanding, being extended. These balances are afterwards compared with the stations' certified balance sheets (55) and discrepancies investigated. If the outstandings appear unusually large, inquiry is made as to the cause, and the Traffic Superintendent's or General Manager's special attention directed thereto. The month's total of the station remittances, after deducting soldiers', &c., warrants, is balanced with the

CASH SUMMARY.

300.—COACHING CASH, MONTH ENDING _____ 19____.

Day of Month.	District <i>A</i>	District <i>B</i>	District <i>C</i>	District <i>D</i>	District <i>E</i>	District <i>F</i>	District <i>G</i>
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.

This also is written up from the bank sheets, and contains the daily district totals only of the amounts actually received by the Bankers, the totals corresponding with those shewn by the Stations' Cash Book made up in the Secretary's department.

A similar account of Goods and Mineral traffic cash paid to Bank is kept in the same book.

301. Coaching Claims.—Recharges to the Accountant for claims are registered and taken to debit by the Ledger office in the Coaching Summary Book as if it were a station, as already explained (206).

The original way-bills, with vouchers, &c., attached, are handed to the Superintendent to be examined and passed, in order that a cheque for the total amount may be drawn on the Company's Bankers and paid to the Secretary, who enters it in his cash account to clear the Ledger office debit. The Register

is examined and certified every month by one of the Superintendent's assistants.

302. Returned Fares, Parcel Refunds and Overcharges.—The recharge way-bills for these are also entered in a Register and taken to debit by the Ledger office in the same way. The Register, when made up for the month, is checked with the forwarding stations' abstracts by the Audit department, and as in the case of coaching claims, the month's total is entered in the Coaching Traffic Abstract Book by that office.

This debit is cleared by an entry in the special credit column of the Coaching Summary Book, and treated by the Book-keeper as a charge on Revenue.

In addition, however, to the items recharged to the Accountant by the stations for refunded passenger fares, the Superintendent himself has frequent occasion to refund money on the same account. In these cases he pays the amount out of a "floating balance" provided for this purpose, and hands the receipts and other documents to the Secretary, by whom a cheque is drawn to replace the amount refunded. Vouchers authorizing refunds, &c., after being compared with the receipts and recharge way-bills, are docketed and put away for reference.

303. The "*Special Credit*" column above alluded to is also used for any other items requiring, for various reasons, to be transferred to the debit of revenue or personal accounts in the General Ledgers of the Company.

On the other hand, if the cash remitted and credits should exceed in any month a station's classification debit, a "*Special debit*" is raised for the difference, credit balances, as a rule, not being recognised.

This is done on the assumption, which is generally correct, that there is some omission or error in the classification debit. If in such a case the error were afterwards discovered, and corrected by the station in the returns of a following month, it would be

cleared of the second debit, after enquiry had been made as to the cause of error, by means of a "*Special credit*."

304. Hotel and Refreshment Room and other miscellaneous receipts (for which there is no debit in the returns of traffic) paid to Bank with coaching cash, and requiring to be transferred to the credit of Hotel and other accounts in the General Ledgers, are also passed through the column for special debits.

305. Soldiers' Warrants.—The amount represented by warrants remitted by stations as cash, is deducted from the cash total in the Coaching Summary Book, and passed through the columns for "transfers" to the debit of a separate entry for "Soldiers' warrants" in the same book.

The Audit office adjustment (entered in the Coaching Traffic Abstract Book) as between the original amount of the warrants and the amount to be collected, is added to or deducted from the Ledger office figures in the column for "Classification debits."

The Ledger office is then cleared of the debit by a transfer to the debit of the "Secretary's Collection" account through the Coaching Revenue Balance Sheet.

306. News and Corn Sample Labels.—The General Manager's office is, in respect of these, treated by the Ledger office as if it were a station. The debit is obtained from the Coaching Traffic Abstract Book, and the cash credits from the Secretary's travelling Cash Book.

The balance outstanding is compared with a monthly certified statement furnished by the General Manager.

307. Coaching Revenue Balance Sheet.—This is made up monthly for the Book-keeper's use. It shews on one side the balance from the previous month, the Audit office debit for Coaching traffic, and "Special debits"; and on the other side the amount of cash collected, "Special credits," and the balances

outstanding carried forward, the debit and credit totals agreeing with those of the Coaching Summary Book.

Particulars of the special debits and special credits are given to enable the Book-keeper to deal with these items (395).

308. GOODS ACCOUNTS (Daily).—The stations' Daily Advices of Collection, with the documents connected therewith and sent to the Accountant at the same time, may be said to constitute the basis of the daily work of the Ledger office, and enable it to check the cash and other credits pending the receipt of the monthly returns.

As the advices are received they are compared daily with the Bank sheets, to see that the amounts entered in the latter for "Goods" agree with those shewn by the former as "Paid to Coaching for Bank."

309. Differences are registered and scheduled to the stations, who are required to explain the cause, and send an amended advice or rectify the error on a subsequent day, the Register being marked off as this is done.

Any differences remaining unsettled at the end of the month are carried forward and cleared in the following month, a summary thereof being made in the

DIFFERENCE SUMMARY BOOK.

STATION.	Recharges.		Paid Ons.		Casn.	
	Dr.	Cr.	Dr.	Cr.	Dr.	Cr.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.

If the daily advice shows more than the bank sheet, the difference is entered as a debit; but if less, it stands as a credit to the station concerned.

This book is also used for recording outstanding discrepancies between the month's total of recharges and paid-ons as shewn by the daily advices and paid on summaries (335 and 337).

310. Local Allowance and Past Foreign Overcharge Vouchers.—These are compared with the credit entries in the daily advices, and examined daily to see that proper authority or signatures have been obtained. Faulty or missing vouchers, or discrepancies in the amounts are registered, and the cause thereof investigated.

At the end of the month the "locals" are numbered consecutively, and entered in the Goods Manager's and Accountant's Local Allowance Voucher Registers. The Goods Manager's Register is for allowances only that are the result of errors in weight or rate, and the Accountant's for those relating to errors in collection, or calculation of charges.

All local allowances are entered in these books—whether connected with Porters', Ledger, Sack, or Rope accounts; Refunds, Accountant's "undercharge" or Engineer's carriage accounts—and the totals are balanced at the end of the month with the Goods Ledger Summary described farther on. After this has been done, the whole of the vouchers are handed to the Goods Audit office for any items in respect of traffic on worked lines or lines worked over, to be drafted out and miled for division.

The Accountant's register and vouchers are then handed to the travelling Inspectors, the Goods Manager's register and vouchers being sent to his department, to be examined and passed. The initials of the persons to whom the documents are handed are taken in columns provided for that purpose in each book, the entries being marked off when the vouchers are returned.

After being entered in a register similar to that for local allowances, and balanced with the Goods Ledger Summary (330),

past foreign overcharge vouchers, together with the overcharge sheets, are handed to the Audit office, to be scheduled to the Clearing House for division (see 336, 338, and 356).

DR.							REFUND REGISTER.					CR.	
No. of Invoice.	Date.	No.	Station.	Date and No. of Refund Authority.	Amount.	To whom Refunded.	Local Allowance.	Past Foreign Overcharge.	Re-debits.	Remarks.	Signature.		
					£ s. d.		£ s. d.	£ s. d.	£ s. d.				

311. This book—Refund Register—is made up from the recharge invoices and vouchers, which are examined as to receipts, &c., as they come in daily. The invoice particulars and amounts are entered on the left hand side, and the total for the month should agree with the debit entered in the Goods Ledger Summary. The credits, shewing how the debits in the Ledger office are cleared, are entered on the right hand side. Thus, refunds in respect of local traffic are extended to the Local Allowance column, and for these one allowance voucher is made out at the end of the month, which is entered in the Local Allowance Register and included with the totals thereof. Refunds in connection with foreign items (for which certified overcharge sheets are attached by the stations to the recharge invoices) are extended to the Past Foreign Overcharge column. These, likewise, are entered in the Past Foreign Overcharge Register, and with the overcharge sheets and invoices delivered to the Audit office for mileage division. The column in the Refund Register for “re-debits” comprises items refunded by one station and *recharged* by the Ledger office to another on a Local Transfer form (No. 29, App.). It also includes items such as dock charges and cartage drawbacks requiring to be specially shewn in the

Goods Revenue Balance Sheet, so that they may be charged by the Book-keeper to the debit of revenue expenditure in the General Ledgers of the Company.

All refund vouchers are handed to the Accountant's Inspectors for examination, except those for dock charges and cartage drawbacks, which, together with Goods Manager's refunds (entered in a separate book) are examined and passed by the Goods Manager.

The blank refund vouchers are kept by the Goods Manager and Accountant in books, and are type-numbered consecutively. When vouchers have been issued, their counterparts are marked off as the recharge invoices are received. If amounts for which authority to refund has been given are not recharged within a reasonable time, the vouchers are recalled.

If the Ledger office or Inspectors should find in the course of their examination of the vouchers that stations were not entitled to be cleared of items by any of the foregoing methods, the stations would be instructed by what has been referred to as a "re-debit voucher" to re-debit themselves through a following month's omission sheet.

The Goods Audit office is in such cases advised, and requested to see that the instructions are duly observed.

312. Goods Claims Register (Form No. 88, App.).—This is written up from the recharge invoices and documents attached thereto, which are examined as to receipts, &c., as they arrive.

The left hand page only of the Register is written up in the Ledger office, the money column being added up to shew the total amount recharged to the Accountant during the month, and taken to debit in the Goods Ledger Summary.

The classification on the right hand page of the Register is for the Goods Manager's use, and the documents authorising the settlement of claims, together with claimants' receipts, are

delivered to his department. Cheques for the amounts recharged are afterwards drawn on the Company's Bankers, and passed through the Secretary's Cash Book to clear the Ledger office debit.

Foreign claims to be scheduled to the Clearing House for division, and amounts to be charged to carting agents, &c., are extended by the Goods Manager to the columns in the Register for that purpose. These entries for foreign claims are compared with the Goods Manager's monthly schedule (268), and certified by the chief Audit clerk. The Ledger office sees as far as is possible that the items are correctly classified as between "local" and "foreign" by the Goods Manager's department, and that the additions, &c., are right. Amounts entered for "Secretary's collection" are compared with the Goods Manager's list of these items (made in what is known as the "Goods Compensation Credits Book") for the Book-keeper's use, to ascertain that all are properly included for collection from firms sharing the loss. It will be shewn how the amounts chargeable to carting agents are dealt with when describing the Agents' Ledger farther on.

313. All Recharge Invoices for refunds and claims are abstracted on "inward" forms by the Ledger office at the end of each month (as if it were a station), and the summaries thereof balanced with the aggregate total of the Refund and Claims Registers before being sent to the Audit department.

In like manner, amounts recharged by the Ledger office to stations by means of Local Transfers are entered for the Audit office on outward Local Transfer Summaries and agreed with the total of the "Register of Local Transfers," which shews (1) date of transfer; (2) number; (3) station to which sent; (4) on what account; (5) amount.

Every transfer is entered before being sent away, with a remark in the fourth column stating in what account the

corresponding debit appears in the Ledger office books, *viz.*:—whether it is to clear an item in the Refund Register, Engineer's Ledger (323), or in the month's debit for claims.

314. Cash paid to Secretary.—The Secretary's Traveling Cash Book is examined daily to ascertain what carriage accounts, remitted direct to the Secretary by the public, were received by him on the previous day. Particulars of the items are copied into a book for this purpose called the "Goods Cash Paid Secretary Book," and the stations or district collectors requiring credit are instructed to clear their outstandings by an entry in the "Cash Paid Secretary" column of their books and daily advices of collection.

The clerks, whose duty is to post the items from the daily advices to the Account-Current Ledgers, initial the entries in the "Cash Paid Secretary Book," so that it may be seen that all items are properly dealt with in the current month (see 339 and 355).

These are the principal matters which, under the head of "goods accounts," occupy the attention of the Ledger office staff daily.

315. GOODS ACCOUNTS (Monthly).—The stations' Debit Lists, and the Porters', Collectors', Rope, Sack, and Paid on Summaries, are the foundation of operations in connection with the monthly accounts, and the cash and other credits entered in the Porters' Ledger and other Summaries should correspond with the monthly totals of corresponding entries in the Daily Advices of Collection.

316. Debit Lists and Customers' Accounts.—After these have been compared, the accounts are sent by post direct to the various firms. When differences are found, the accounts affected thereby are held back until an explanation is obtained from the stations.

The collectors are then advised of the accounts to collect in

RAILWAY.

ACCOUNT CURRENT LEDGER.

(Left hand Page.)

ABSTRACT OF PORTERS' DAILY ADVICES OF COLLECTION.

CASH AS PER DAILY ADVICES FOR			Date.	CASH RECEIVED.						Local Allowances.	Recharges.	Past Foreign Overcharges.	Cash paid Secretary.	To debit of Other Parties.	Total.				
Manure Sales.	Goods Compensation Sales.	Sack Demurrage.		Paid to Bank.	To Paid On Clerk.	Total Receipts.	£	s.	d.										
			19	£ s. d.	£ s. d.	£ s. d.	£	s.	d.	£	s.	d.	£	s.	d.	£	s.	d.	
			June																
			1																
			2																
			3																
			4																
			5																
			etc.																
						(a)	17	6											
						(b)	1	3	4										
						(c)	7	19	1										
			Total ..	£	353	0	9	12	4	8	365	5	5	9	19	11	59	10	2

(a) and (b)—Allowances, etc., deducted from Railway Co.'s and Agents' Account, as per "Account Current."

(c)—Balance for "Porters'."

ACCOUNT CURRENT LEDGER.

STATION.

(Right hand Page.)

Debits.		Credits.	
	Amounts. £ s. d.	Total. £ s. d.	
To Balance from last month		172 17 10	
" June Account:—			
In	958 7 11		By Various Collectors
Out	350 2 3		" Accountant's Undercharge A/c
Extras	26 0 1		" Engineer's, &c., Carriage A/c
			" Rope A/c
" Transfers:—		1,334 10 3	" _____ Railway Co.
Porters'	6 12 8		" Pickford & Co.
Sack	3 10 8		" Cash, Allowances, &c., as per
			abstract of Daily Advices
" Balance as per "Porters' Ledger		10 3 4	" Balance (Porters') carried forward ..
Summary"			
		£ 1,537 11 5	
		172 6 0	
			£ 1,537 11 5

(a)—See Station Debit List (93) (b)—See Porters' and Sack Ledger Summaries (96 and 109)

their respective districts, the names of the districts charged with the collection being marked on the Debit Lists in red ink for the guidance of the clerks in posting. As previously explained, collectors at the principal stations obtain a list of the accounts they have to collect from the tissue copies of the Debit Lists kept at the stations. These accounts, therefore, it is not necessary for the Ledger office to enter in their advices.

In posting the debits and credits, three distinct classes of Ledgers are used, *viz.*:—(1) “**Account-Current Ledgers**,” through which the balance outstanding at each station month by month in respect of *Porters’* accounts is ascertained; (2) “**Collectors’ Account-Current Ledgers**,” for monthly credit accounts *only*, shewing (*a*) the amounts debited against each district collector for collection, (*b*) cash remitted, allowances and other credits, and (*c*) the monthly balance outstanding; (3) “**Personal Account Ledgers**,” for monthly credit accounts only. The latter (No. 3) contain the details of the collectors’ accounts and balances, or, in other words, they shew the state of each customer’s account; and the monthly balances of these, when summarized, should correspond with the totals of the balances as shewn by the Collectors’ Ledgers.

317. Account-Current Ledgers.—These are written up from the Debit Lists, *Porters’* Daily Advices of Collection, and Carting Agents’ accounts, a separate account being opened for each station.

The *debit* side exhibits—(1) the balance brought from the previous month; (2) current month’s gross debit; in, out, and extras, including minerals, but exclusive of sack demurrage and manure and compensation sales; and (3) transfers from other accounts.

To the *credit* are posted those amounts from the Debit List that do not stand for collection in *Porters’*, *viz.*:—

- (a) The totals of the Ledger accounts to be transferred to the debit of the various district accounts in the Collectors' Ledgers.
- (b) Undercharges transferred to the debit of the Accountant's Undercharge account.
- (c) Engineer's or Stores department carriage accounts transferred to the Engineer's Ledger.
- (d) The month's debit for ropes transferred to the debit of the Rope account, and
- (e) Amounts due from other Railway Companies and carting agents (*less* allowances and recharges), transferred to their debit in the Agents' Ledger.

Next on the credit side appear Porters' cash received (without deduction of paid-ons), allowances, recharges, &c., as shewn by the monthly totals of the Daily Advices, an abstract of which is given on the opposite page of the Ledger.

The *balance* of the Account-Current should then correspond with the balance outstanding, as shewn by the *Stations' Porters' Ledger Summary*; and if on comparing them the amounts agree, the Ledger is ruled off, and the balance brought down to the debit of the following month's account.

It will be seen that as the cash and allowances are entered from the abstract of advices, and not from the Porters' Ledger Summary, any omission from the Advices, or from the abstract thereof, would cause a corresponding difference in the balance as between the Porters' Ledger Summary and Account-Current Ledger. Discrepancies found in the credits, therefore, are immediately scheduled by the stations, and supplementary or corrected Advices obtained.

In making up the abstracts of Daily Advices, those items paid to Bank by the stations for sack demurrage, manure and goods compensation sales, shewn on the Advices in red ink, are entered separately in the Account-Current Ledgers, but are not in

any way included in the totals thereof, being posted to the credit of the sack demurrage and manure accounts, as explained hereafter.

To facilitate the work of posting, the openings in the Account-Current Ledgers are made in the order of the Accountant's list of stations, the station returns being fastened together in the same order.

318. Collectors' Account-Current Ledger.—This is similar to those used for Porters' accounts. An account is opened for each district, and the debits (being the total of the accounts to be collected during the ensuing month) are posted up from the credit side of the Account-Current Ledgers. The credits consist of cash, allowances, &c., as per abstract of Collectors' Daily Advices. The balance, less the current month's debit, is agreed with the Collectors' Ledger Summary (97), and is shewn in the Ledger as follows:—

COLLECTOR.		DISTRICT.	
DEBITS.		CREDITS.	
To Balance	£ s. d. 870 0 0	By Cash, &c., as per Abstract of Advices	£ s. d. 850 0 0
To June debit, as per Account- Current Ledger and Debit List	807 16 0	„ Balance	827 16 0
	£ 1,677 16 0		£ 1,677 16 0
July 1.—To Balance, viz. :—			
On May account ..	20 0 0		
June debit	807 16 0		

(See 330.)

319. Personal Account Ledgers.—These contain a simple debtor and creditor account with each customer for whom a monthly account has been opened by authority of the General Manager.

M _____

Date.	DEBIT.		Date.	CREDIT.		Date.	Balance Overdue.
19 .	£ s. d.		19 .	£ s. d.			£ s. d.
May ..	To Carriage ..	95 0 0	June ..	By Cash ..	71 0 0		
				„ L. A. ..	3 0 0		
				„ P. F. O.	1 0 0		
				„ R/c ..			
		95 0 0			75 0 0	July 1 ..	20 0 0

The debits are posted direct from the station Debit Lists, and the credits for cash, allowances, &c., from the Advices of Collection as they come in daily.

As will be seen on reference to the example, a month's credit being allowed, a balance unpaid in respect of, say, a May bill, would not be accounted as "over-due" until July 1st. These balances are struck on or about the 4th of each month (the day on which the collectors' monthly lists of outstandings are due), and are compared in detail with the lists, the totals of which should agree with the Collectors' Ledger Summaries, and, consequently, with the balances as shewn by the Collectors' Account-Current Ledger.

Customers are advised, as under, of balances standing to their debit as on the first day of each month, these advices being enclosed with the bills for the current month.

RAILWAY.

ACCOUNTANT'S DEPARTMENT.

The Balance of previous Carriage Accounts outstanding against you }
in the Books of the Company on the 1st _____ was } £ : :

* The Directors will be much obliged if you will upon receipt hereof compare this amount with your Books, and advise the Accountant, at your earliest convenience, of any discrepancy there may be between your account and that furnished by the Company.

You will please note particularly that any payment made by you on or since the 1st instant is not credited in the above statement—the balance being as struck on the last day of the previous month. Neither is credit given for any Claims, Overcharges, &c., which you may have preferred upon the Company, but which you have not been informed will be allowed.

M _____

320. Porters' and Ledger Outstandings.—The station summaries of Porters' outstandings enable the Accountant to see at a glance what progress is made each month in clearing off old amounts. After these have been examined a list is furnished to the travelling Inspectors to be compared with the accounts kept at the stations, special attention being directed to any outstandings that appear old or excessive. A copy of this list is also supplied to the General Manager.

The collectors' lists of Ledger outstandings are also checked and compared with the lists sent to the General Manager, who, as already pointed out, is responsible for their collection, as well as for Porters' outstandings.

The practice of sending the monthly carriage accounts and statements of balances due direct from the Accountant's office to customers, provides a useful check upon the collectors' returns, inasmuch as customers are enabled thereby to call attention to any discrepancies that may be found.

Moreover, as explained in connection with the station accounts, printed forms of receipt are required to be given by collectors for money received by them. These forms are kept in books with perforated counterfoils, type-numbered, and supplied only by the Accountant, by whom they are registered before being sent away. When the forms have been used the counterfoils are examined by the agents in charge to see that all have been accounted for; they then certify this in the books, and return them to the Accountant's office, where they are examined and marked off in the Register.

321. Undercharge Invoices, Posted to Debit of Accountant.—Particulars of these are copied from the Undercharge Lists into a foolscap book, which, after being balanced with the Goods Ledger Summary is handed, together with the lists, to the Audit office to enable that department to see that the

amounts cleared have been previously taken to debit by the stations.

If the items refer to local traffic only, one Local Allowance voucher is made out for the whole, and entered in the Allowance Register previously referred to. Foreign items are entered on a Past Foreign Overcharge voucher and dealt with accordingly. (See 330.)

Re-debit vouchers are issued for any items wrongly cleared by stations.

322. Departmental Carriage Accounts (Engineer's, Stores, &c.).—It has been pointed out that stations are relieved of charges for the carriage of permanent way materials and stores required for station use, maintenance or renewal of the railway, construction of new lines, &c., by posting the items to the debit of the "Engineer's" or "Stores" department, as the case may require. As we have seen, bills of the charges are prepared and treated by stations in the same way as goods "Ledger" accounts, except that they are entered separately in the monthly Debit Lists.

The accounts and "declarations" of the permanent way Inspectors, or original consignment notes, are then sent with the Debit Lists to the Ledger office, and there dealt with in the following way:—After being compared with the Debit Lists to see that the totals agree, short particulars of the accounts are entered in a Register, in which any differences are also noted. These having been rectified, the details are examined with the declarations and consignment notes, and such other tests applied as appear necessary to ascertain their correctness. The accounts, with complete lists thereof, are then handed to the Engineer's and Stores departments for further examination, after which they are returned to the Ledger office with a statement shewing what items, if any, are payable by contractors, &c., or are for other reasons disallowed.

It is also stated what local traffic charges for removals of stores from one point to another for the Company's use are to be written off, these items being thus expunged from revenue earnings. A note is likewise made of items of a special nature, such as carriage over foreign lines, carriage of empty packages, &c., returned to suppliers of stores, and of materials for new lines, these being transferred, as explained below, to the debit of the "Secretary's Collection" account.

These accounts are submitted to the departmental Committees of Directors, and passed for payment in the usual course, the cheques drawn being applied to clear the Secretary's debit, and the amounts charged to Capital or Revenue expenditure according to the nature of the items.*

Entries cleared by stations that require fuller inquiry than can be made before the time for closing the accounts in the Ledger office are treated as "outstanding," and dealt with in a subsequent month. In order, therefore, that a clear record may be kept, the whole of the bills are posted into the

323. Engineer's Ledger (Form No. 89, App.).—Two accounts are opened in this book, *viz.*:—One for the Engineer's, and the other for the Stores, Locomotive and Carriage departments. Outstandings brought forward and debits for the current month appear on one side, and the credits and outstandings to carry forward on the other. The current debits are agreed with the totals of the register mentioned above. The credits include (1) recharges to stations by means of "Local Transfer" forms, for amounts disallowed; (2) amounts written off for which a Local Allowance voucher is made out, entered in the Local Allowance Register, and submitted to the Goods Manager for approval; (3) transfers to Book-keeper, for collection by the Secretary as mentioned above; (4) transfers to other accounts. This and the converse column "transfers

* The debit is now cleared by Journal entry and not by cheque.

from other accounts" are used principally for the adjustment of amounts charged to the wrong department by the stations. In such cases the bills are either returned to the stations for correction, or the erroneous entries therein are struck out and carried to new bills by the Ledger office for the proper department to certify, the debits in the Ledger being simply transferred by an entry in the columns for this purpose. The Ledger having been added up, and the credits and outstandings balanced with the debits, the accounts are ruled off and outstandings carried forward. (See 330.)

324.— ROPE LEDGER SUMMARY BOOK

Station.	Balance brought forward.	CURRENT DEBIT.		Total. Dr.	Local Allowances.	Recharges.	Past Foreign Overcharges.	Balance carried forward.
		In.	Extras.					
L.....	£ s. d. 8 10 0	£ s. d. 32 10 0	£ s. d. 0 10 0	£ s. d. 41 10 0	£ s. d. 1 0 0	£ s. d. 29 10 0	£ s. d.	£ s. d. 11 0 0

The above is made up from the Stations' Rope Summaries (of which it is simply a copy) after they have been checked with the Debit Lists and Account-Current Ledgers as regards the debits; and with the Paid on Summaries as regards recharges. The entries in this book furnish a complete statement of the rope balances (representing ropes on hand) at the various stations. (See 330.)

325. Sack Demurrage Ledger.—The form of this is similar to the Rope Ledger Summary Book. It is made up from the stations' Sack Ledger Summaries after these have been compared with the Debit Lists, and (as regards cash) with the Account-Current Ledgers. It shews for each station,

Debits. (1) Balance brought forward.

(2) Current month's debit, which, as we have seen, is not included in the Account-Current Ledgers.

(3) Total debit.

- Credits. (1) Cash received.
 (2) Local allowances.
 (3) Recharges.
 (4) Transfers to other accounts, and
 (5) Balance carried forward.

When all the summaries have been entered, the respective columns of the Ledger are added up and balanced across, and outstandings carried to the next month's account for comparison with succeeding returns. (See 330.)

326.—MINERALS, MANURE AND COMPENSATION BOOK.

STATIONS.	Minerals.			Manure.		Compensation.	
	In.	Out.	Extras.	Extras.	Cash.	Extras.	Cash.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
	*	*	*	*		*	

This is used for summarising (1) the "mineral" totals shewn on the Debit Lists in red ink, these items requiring to be deducted from the "goods" in making up the Goods Ledger Summary and Revenue Books as explained hereafter; and (2) the month's debits and cash for manure, and "compensation" sales. The columns marked * are made up from the Debit Lists, and cash is posted from the Account-Current Ledgers. Two spare columns are provided for any special items shewn on the Debit Lists and Daily Advices of Collection, such as paid ons unclaimed and paid to Bank.

Before being entered, the debits for manure and compensation sales are compared with the advices of sales, also with monthly statements of sales furnished by the Goods Manager, to see that all items have been accounted for.

As stable manure is frequently sold on short credit, it is

necessary for the Ledger office to keep, in addition to the above summary, a

327. Manure Sales Ledger.—In this book each station's debits are posted in detail from the Sale Advices, and the cash from the summary just described. The balances are struck as on the first of each month, and the stations are required to certify the amounts outstanding.

In the case of goods compensation sales, the transactions are for cash only, credit not being allowed to purchasers; and if any differences should be found between the debits and cash remitted, they are scheduled to the stations and cleared in the following month. (See 330 and 353d.)

328. Agents' Ledger.—This is used for the purpose of ascertaining and recording the balances due to or from those Agents and Railway Companies with whom a monthly settlement is not effected at the stations in respect of Porters' carriage and cartage accounts, paid ons and claims. It is written up from the Agents' accounts as rendered by the stations. Before being entered, however, the accounts are called over with the Debit Lists and Paid on Summaries to see that the money totals agree.

Porters' balances, corresponding with the amounts credited to the stations in the Account-Current Ledgers, are entered first; paid ons are then deducted, leaving the net debit.

The allowances for cartage are calculated on the weights certified by the stations, which together with the rates per ton and amounts, are entered on the credit side of the Ledger, several "weight" columns being provided for the different classes of goods handled. Cartages performed *for* other Companies or Agents, are, of course, charged, per contra.

Particulars of claims paid by the Company and chargeable to Agents as shewn by the Goods Claims Register, also of any claims paid by Agents in which the Company have agreed to

AGENTS' LEDGER.

DR. Pickford & Co., in Account Current with the Railway Co. June, 19-- CR.

Stations.	Porters Balances.	Particulars.	Less, Paid ons.	Weight. T. c. q. lbs.	Rate	Total Dr.	Weights.			Rate.	Amount.	Total Cr.
							Excepted.	General.	Special.			
	£ s. d.		£ s. d.	T. c. q. lbs.		£ s. d.	T. c. q. lbs.	£ s. d.	£ s. d.		£ s. d.	£ s. d.
L.....	50 16 4	June Account	8 8 2			42 8 2	50 0 0 0			1/-	2 10 0	
		June Cartage A/c.....						95 0 0 0		1/6	7 2 6	
		Do.								1/10	16 8	
		Do.										
		By Balance from Claim A/c.....									10 9 2	
											2 0 0	
										Balance		12 9 2
											29 19 0	
										£		42 8 2
		CLAIM A/c.										
		(Enter particulars)										
		To Balance (as above)										3 0 0
										£		3 0 0

RAILWAY.

PAID ON SUMMARY BOOK. June, 19—.

STATIONS.	Paid ons not Paid.		Pickford and Co.'s Paid ons.	Chaplin and Co.'s Paid ons.	Rope Re-charges.	Sack Demur- rage Re- charges and Transfers.	Re-charges and Transfers.	Paid ons Clerk.	TOTAL.
	Cartages, &c.	Sack Hire, Risk, and Demurrage.							
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
A.....	5 11 2	7 13 6	8 8 2	3 3 6	29 10 0	0 17 4	59 10 2	12 4 8	126 18 6
B.....									
C.....									
D.....									
E.....									
Accountant's Transfers.....									
Engineer's Ledger.....							1 0 0		1 0 0

participate, as advised by the Goods Manager, are also entered in the Agents' Ledger and included in the monthly account. Then, after the calculations and other details have been checked, the balances due are inserted, and the accounts sent to the respective Agents and Companies, by whom remittances in settlement are sent to the Secretary of the Company. The examples, taken in connection with the station returns, shew how this is worked out. (See 100 and 353-7.)

329. Paid on Summary Book.—This is made up from and is an exact copy of the stations' Paid on Summaries. It includes *Ledger office recharges* to stations as exhibited by the Register of Local Transfers (313), and is added up to shew the total for the month under each head, as well as a grand total.

Before being entered, the summaries are checked with the Account-Current and Collectors' Ledgers, also with the Rope and Sack Ledger Summaries and Agents' accounts, to see that the recharges and paid ons agree. Any differences not rectified by supplementary advices or amended returns by the time for closing the accounts, are recorded as before-mentioned in the Difference Summary Book and corrected in a subsequent month. (See 356.)

330. GOODS LEDGER SUMMARY.—In this book the monthly totals of the Porters', Collectors', and other accounts are summarised. When made up, it shews the total of the Goods Revenue for the month, amounts to be deducted therefrom for allowances, &c., cash received, transfers, the balance to collect in future months, how such balance is distributed, what proportion thereof represents "Porters'," and what proportion represents "Ledger" outstandings.

By it, the accuracy of the whole of the preceding manipulation of figures is tested. The most obscure or trivial mistake in the station Advices or Summaries previously overlooked, could scarcely fail to be detected in balancing the totals of the

Goods Ledger Summary. It is made up from the Porters' Account-Current Ledgers; Collectors' Account-Current Ledger; Sack Demurrage Ledger; Minerals, Manure, and Compensation Book; and from the Miscellaneous Ledger. The rulings and headings in the Miscellaneous Ledger are exactly the same as those of the Goods Ledger Summary, to which the totals are transferred, and it is used to relieve the Summary of the details of miscellaneous accounts. It is made up from and contains the total debits, credits, transfers and outstandings on the Undercharge, Engineer's, Rope, Refund and Claim Accounts. It is also used for recording, and is the medium for clearing, bad debts and miscellaneous items transferred from Porters', Collectors', and Personal Accounts.

It will answer our purpose if in the examples the Miscellaneous Ledger is dispensed with, the specimen entries in this case being carried direct to the Goods Ledger Summary, and we will describe separately the uses of, and method of balancing the various columns in the latter.

The preparation of the Summary consists simply in copying the items from the subsidiary Ledgers, &c., in the above order (the balances outstanding having been previously brought forward). The details of this work need no explanation beyond that afforded by the illustrations.

DEBITS.

331. (1) "*Balance brought forward*," to agree with the balance carried forward in the previous month.

332. (2) "*From other parties' accounts*."—It will be necessary to explain the use of this column in conjunction with those headed "To other parties' accounts," "Transfers for collection (Dr.)," and "Transfers for collection (Cr.)."

When the specimen entries are considered, it may seem anomalous that amounts appearing in the stations' Porters' and Sack Summaries as "Transfers

GOODS LEDGER SUMMARY.

(Left hand Page.)

DR.

June, 19—.

CR.

STATIONS.	Balance brought forward.	From other Parties' Accounts	Special Debits.	Total.	Cash Received at Stations.	Local Allowances.	Re-charges.	Past Foreign Over-charges.	Cash Paid Secretary.	Transfers.	
										To other Parties' Accounts	To Mineral Ledger.
I. Porters' Accounts-Current, viz.,	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
L.....	192 17 10	10 3 4		203 1 2	365 5 5	9 19 11	59 10 2	5 15 11			6 12 8
&c., &c.											
II. Collectors' Accounts-Current	870 0 0			870 0 0	842 0 0	6 10 0		1 10 0			
III. Undercharge Account	5 0 0			5 0 0		5 0 0					
IV. Engineer's Ledger	10 0 0			10 0 0		2 0 0	1 0 0				
V. Rope Ledger	8 10 0			8 10 0		1 0 0	29 10 0				
VI. Sack Ledger	6 8 6			6 8 6	2 13 9		17 4				3 10 8
VII. Manure Sales Account ..	2 10 0			2 10 0	3 5 0						
VIII. Compensation Sales Account ..					2 15 0						
IX. Refund Account.....						3 0 0		2 0 0			
X. Claims	20 0 0			20 0 0					15 0 0		
XI. Bad Debts.....	12 0 0			12 0 0					3 0 0		
	£1127 6 4	10 3 4		1137 9 8	1215 19 2	27 9 11	90 17 6	9 5 11	18 0 0	10 3 4	

GOODS LEDGER SUMMARY.

DR.

June, 19—.

(Right hand page).

CR.

	Balances Out-standing.		Current Month's Debit.			Transfers.			Total.	Transfers.		Special Credits	Balance Carried Forward.
	Porters' Accounts (Cr. Balances).	Ledger Accounts	In.	Out.	Extras.	From Book-keeper.	From Mineral Ledger.	For Collection (Ledger Accts).		For Collection (Ledger Accounts).	To Book-keeper.		
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
I.	244 2 11		958 7 11	350 2 3	26 0 1				1334 10 3	847 6 3	70 15 1		172 6 0
II.		20 0 0					807 16 0		807 16 0				827 16 0
III.							3 7 7		3 7 7				3 7 7
IV.		7 0 0					3 2 8		3 2 3		8 10 0		1 12 8
V.		22 0 0					33 0 0		33 0 0				11 0 0
VI.	13 3				10 11 0				10 11 0				9 17 9
VII.	15 0				1 15 0				1 15 0				1 0 0
VIII.	2 15 0				2 15 0				2 15 0				
IX.		5 0 0	5 0 0						5 0 0				9 0 0
X.		5 0 0	4 0 0						4 0 0		6 0 0		3 0 0
XI.		9 0 0											
£	248 6 2	14 0 0	967 7 11	350 2 3	41 1 1		847 6 3		2205 17 6	847 6 3	85 5 1		1039 0 0

to other (or Ledger) accounts " are shewn as a debit—"from other accounts"—in the Goods Ledger Summary. It should, however, be remembered that the Porters' Account-Current is in the first instance charged with everything that appears in the Debit List except the special items for sales and sack demurrage, and that, therefore, in order to relieve it of the double debit thus raised in respect of transfers, the items are necessarily included twice on the credit side of the Summary, *viz.* :—(1) "transfers to other parties' accounts" as shewn by the Porters' Daily Advices and Sack Ledger Summaries; and (2) with the "transfers for collection (Cr.)." As previously explained, these items are included in the accounts sent out to the public, the totals of which are transferred to the Collectors' Ledger, the debits in the latter being carried to the Goods Ledger Summary as "transfers for collection (Dr.)." Consequently, the totals of the debits and the totals of the credits entered in the respective columns will be found to agree.

333. (3) "*Special Debits.*"—This column is used for special items collected and paid to Bank with goods traffic cash as shewn by the Daily Advices of Collection, but which do not appear in the Debit Lists : as for instance, coaching outstandings collected and paid to Bank by goods collectors. These are entered in the "special debit" column as "Transfers from Coaching Ledger," the coaching accounts being cleared of the items by corresponding entries—"Transfers to Goods Ledger." It also includes "*Collectors' Extras,*" consisting of undercharges or other special items not included in the accounts sent out to the public. Details of these, as per Collectors' Daily Advices, are entered by the

Ledger office in an Extras Book for this purpose (Form No. 90, App.), in which any amounts afterwards charged on invoice and cleared by local allowance, &c., are marked off by the Inspectors to prevent the items being cleared a second time.

334. (4) "*Total*."—This is for the total of the three preceding columns. Next follow—

CREDITS

for cash and allowances, presumably on account of the previous month's outstandings, but necessarily including cash collected, allowances, &c., on account of the current month's debit in Porters. The columns are—

335. (1) "*Cash received at Stations*," the total of which, less paid ons actually paid as per Paid on Summary Book, should correspond with the Cash Summary made up from the Bank Sheets, as explained under the head of coaching accounts. It is scarcely necessary to remark that the totals of the cash and Paid on Summaries first require adjusting by adding or deducting the balance of uncleared differences (if any) between the Daily Advices and Bank Sheets, and Daily Advices and Paid on Summaries as shewn by the Difference Summary Book ; but in the examples we have assumed that these accounts stand clear.
336. (2) "*Local Allowances*."—This includes all items cleared by Local Allowance in connection with the Porters', Ledger, Sack, Rope, Accountant's refund, Accountant's undercharge, and Engineer's, &c., Carriage accounts. The whole of these being entered in the Allowance Registers, it follows that the totals of the latter and Goods Ledger Summary should agree.
337. (3) "*Recharges*."—The total to agree with the recharge

columns of the Paid on Summary Book, plus or minus uncleared differences as per Difference Summary Book.

338. (4) "*Past Foreign Overcharges.*"—The preceding remarks as to Local Allowances also apply to Past Foreign Overcharges, which are entered up and balanced in a similar way.
339. (5) "*Cash paid Secretary.*"—To agree with the total of the Cash Paid Secretary Book.
340. (6) "*Transfers to Mineral Ledger.*"—For amounts outstanding in "Porters'" transferred through other parties' column of Daily Advices by Goods Manager's authority to debit of accounts in the Mineral Ledger.
341. (7) "*Balance Outstanding.*"—For the balance on Porters' account after deducting the foregoing credits. For the reason stated above this is invariably a credit balance, and as such is entered in red ink.
342. (8) "*Balance Outstanding.*"—This indicates the *actual* Ledger outstandings. Next follow the
343. DEBITS FOR THE CURRENT MONTH.—"In," "out," and "extras"—as per Debit Lists. The totals of these columns, less the amounts for minerals as per "Minerals, Manure, and Compensation" book, represent the gross revenue from goods traffic for the month, and should agree with the Ledger office totals in the Goods Traffic Abstract Book (248).
344. "*Transfers from Book-keeper.*"—This column is for cash collected and paid to Bank with "goods," but transferable to the credit of Personal accounts in the General Ledgers of the Company.
345. "*Transfers from Mineral Ledger.*"—This embraces all Mineral Ledger accounts advised to the district collectors for collection, and debited to their respective accounts in the Collectors' Ledger. The total, plus

Porters' Mineral accounts shewn in the Debit Lists, and items included in the special debit column, should agree with the total of the corresponding credit—"Transfers to Goods Ledgers"—in the Mineral Ledger.

346. "*Transfers for Collection, Dr.*"—As explained above, this is the amount transferred from the gross debit for the month to the debit of Collectors' Ledger accounts, and agrees with "*Transfers for Collection, Cr.*"

347. "*Transfers to Book-keeper.*"—For foreign Railway Companies' and Agents' collection accounts, Engineer's and Stores carriage accounts, &c., &c., transferred to the debit of Personal accounts in the General Ledgers.

348. "*Special Credits.*"—For special credits not included in the preceding columns.

349. "*Balance Carried Forward.*"—This is the difference between the debits and credits on each account, and represents the gross amount outstanding on Porters', Ledger, and sundry accounts at the end of the month.

350. GOODS REVENUE BALANCE SHEET.—This is made up after the Goods Ledger Summary and subsidiary accounts have been completed, to enable the Book-keeper to make the proper entries in the General Ledgers (397). Although it contains the totals of the Goods Ledger Summary, it is not made up therefrom, but from the subsidiary books, and is afterwards compared with the Summary. This provides an additional and final check upon the accuracy of the month's transactions. Moreover, it is necessary to adopt this plan, as numerous cross items for cartages, claims, paid ons, &c., which do not appear in the Goods Ledger Summary at all, are brought into the Balance Sheet, though not affecting the balance itself. This will become apparent as the entries are examined.

DR.	GOODS REVENUE		June,	
			£	s. d.
Balance brought forward...			1,127	6 4
(GOODS OUTSTANDINGS A/C DR. TO SUNDRIES:)				
	£	s. d.	£	s. d.
To Merchandise Traffic Receipts.....In.....	967	7 11		
(being Goods Revenue for Month) Out ...	350	2 3		
Extras	36	11 1		
			1,354	1 3
<i>Transfers as per Abstract.</i>				
To Transfers from Mineral Ledger				
,, ,, from Coaching Ledger				
,, _____ Railway Co., for Paid ons				
,, Pickford & Co. do.	8	8 2		
,, Chaplin & Horne do.	3	3 6		
,, Railway Co.'s and Agents (various), for Cartages performed by them as per Agents' Ledger	10	9 2		
,, Ditto, for Claims as per Agents' Ledger ...	2	0 0		
,, Goods Compensation a/c., for Sales	2	15 0		
,, Traffic Expenses a/c., for Manure Sales	1	15 0		
,, Cartages a/c., for charges against other Co.'s for Cartages performed by the Co., per Contra			28 10 10	
			1,382	12 1
			<u>£2,509 18 5</u>	

RAILWAY.

BALANCE SHEET.

CR.

19—.

	£	s.	d.	£	s.	d.	£	s.	d.
Cash Received at Stations	1,215	19	2						
Less, Stations' Paid ons as below	12	4	8						
Net Cash paid to Bank				1,203	14	6			
Cash differences (+ or -)									
Cash paid to Secretary				18	0	0			
							1,221	14	6

(SUNDRIES DR. TO GOODS OUTSTANDINGS A/C:)

By Merchandise Traffic Receipts (being charges on Revenue)

<i>Vis.</i> :—Paid ons, Agents	11	11	8			
Do. Stations	12	4	8			
Local Allowances	27	9	11			
Re-charges	90	17	9			
Past Foreign Overcharges ...	6	5	11			
Bad Debts	6	0	0			
				157	9	8

Transfers as per Abstract.

By Transfers to Mineral Ledger.....						
„ _____ Railway Co., for Collection	19	18	9			
„ Pickford & Co., do.	50	16	4			
„ _____ Railway Co., for Cartages performed by them as per Agents' Cartage Accounts						
„ Secretary's Collection, for Engineer's, &c., Carriage Accounts	8	10	0			
„ Cartage a/c, for amounts due by other Co.'s for Cartages, per Contra	10	9	2			
„ Compensation a/c, for Claims settled by Agents per Contra	2	0	0			
				91	14	3
						249 3 11
						1,470 18 5
Balance Carried forward.....						1,039 0 0
						£2,509 18 5

The balance sheet is made up as follows :—

DEBITS.

351. (1) *Balance outstanding* from previous month.

352. (2) *Goods Revenue for the month*.—In, Out, and Extras, as per Ledger office totals of the Goods Traffic Abstract Book. Extras include “Collectors’ extras” as per Extras Book, but exclude manure and compensation sales, these being credited to Traffic Expenses and Compensation accounts as mentioned below.

353. (3) *Transfers* to the credit of various accounts in the General Ledgers. Of these a detailed abstract is given which includes the following:—

- (a) Transfers from Mineral and Coaching Ledgers, as shewn by those books.
- (b) Foreign Railway and Agents’ paid ons as per Agents’ Ledger. The total of these items is also entered on the credit side of the Balance sheet—“Paid ons, Agents’”—as a charge on Revenue. They do not appear in the Goods Ledger Summary.
- (c) Allowances to foreign Railway Companies and Agents for cartages, drawbacks or claims as per Agents’ Ledger and certified accounts. These also appear on the credit side as charges on Revenue expenditure. They are not entered in the Goods Ledger Summary.
- (d) “Manure” and “Compensation” sales (as per Minerals, Manure, and Compensation Book), deducted from extras as above, to be carried to the credit of “Compensation” and “Traffic Expenses” by the Book-keeper.
- (e) Any other amounts transferable to the credit of accounts in the General Ledgers, as shewn by the debit side of the Porters’ Accounts-Current and Collectors’ Ledgers.

We now come to the

CREDITS.

354. (1) Cash paid to Bank as per Cash Summary made up from the Bank Sheets. To this total is added or deducted, as the case may be, the balance of uncleared cash differences as per Difference Summary Book; the net amount representing cash, as entered in the Daily Advices of Collection.
355. (2) *Cash paid to the Secretary* as per book.
356. (3) *Charges on Revenue*, consisting of the following :—
 - (a) Railway Companies' and Agents' paid ons per contra.
 - (b) Paid ons at stations as per Paid on Summary Book.
 - (c) Local Allowances as per Register.
 - (d) Re-charges as per Paid on Summary Book.
 - (e) Past Foreign Overcharges as per Register.
 - (f) Bad Debts written off during the month by authority of Directors, as per bad debt account in the "Miscellaneous" Ledger.
357. (4) *Transfers* to the debit of various accounts in the General Ledgers (of which a detailed abstract is given) including the following :—
 - (a) Transfers to Mineral Ledger as shewn by that book.
 - (b) Foreign Railway and Agents' collection accounts, being the Porters' balances as exhibited by the Agents' Ledger and credit side of Account-Current Ledgers.
 - (c) Accounts against foreign Railway Companies for cartages, &c., performed for them by the Company's teams, as per Agents' Ledger. These items also appear on the debit side as a credit to Revenue expenditure.
 - (d) Any other amounts transferable to the debit of accounts in the General Ledgers as shewn by the credit side of the Porters' Account-Current Ledgers, Collectors' Ledgers, Engineers', and Refund Ledgers.

This completes the credits, and the balance, representing "*Goods Outstandings*," carried to the account of the following month, will be found to agree with that carried forward in the Goods Ledger Summary.

358. MINERAL ACCOUNTS.—When it is considered that the whole of the charges for tolls and carriage of Minerals to and from all stations on the Company's line are condensed by the Mineral Manager's office into one general Debit List, and that this contains not only a summary of the debits, but also of credits for overcharges and other allowances, it will be seen that the work of the Station Ledger office is, in comparison with its accounts of goods traffic, much simplified, and that a brief description of it will suffice.

359. After the **Mineral Debit List** has been compared with the Toll Accounts and Allowance Vouchers received therewith, the accounts are sent by post direct to the customers, who are at the same time advised of balances due on accounts previously rendered, as in the case of goods Ledger accounts.

The district collectors are then informed what sums they have to collect, and these items are posted to the debit of the respective accounts in the goods Ledgers. The Mineral Manager's list of items previously advised to stations for collection in "*Porters*," is compared with the amounts taken to debit as shewn by the red ink entries (95) at the foot of the stations' goods Debit Lists, any discrepancies therein being scheduled to the Mineral Manager's office for correction in a subsequent month.

The current debits, transfers, and allowances in respect of accounts for collection by the General Manager, which, of course, constitute by far the most important part, are then posted into

360. Mineral Personal Account Ledgers, similar to those used for goods Ledger accounts.

The cash credits are posted daily from a "Mineral Cash Book," which is made up from the entries for Cash and Bills in the Secretary's Travelling Cash Book.

The balances are ascertained as on the first day of each month, and the total of these agrees with the balances shewn by the

360a. Mineral Toll Account-Current.—This contains a Dr. and Cr. statement of the gross Mineral debits and credits for the month.

The balance brought forward and the gross debit for the current month as shewn by the Debit List, are entered on the *debit* side, while on the *credit* side appear :—

- (1) Cash and Bills (traders' acceptances) as per Cash Book.
- (2) Allowances.
- (3) Transfers to Goods Ledger, these being the accounts for collection by the district collectors, and Porters' items.
- (4) Accounts against other Railway Companies requiring to be transferred to the debit of their Personal accounts in the General Ledgers.

As a month's credit is given to traders, two balances are struck in the Mineral Toll Account-Current, the first shewing the amount outstanding or actually due by customers after crediting them with cash received during the current month on account of previous months' debits; and the other shewing the *gross balance for collection* after adding the current month's debits, and credits for allowances and transfers as above.

361. Ledgers shewing the state of the customers' accounts are also kept in the General Manager's office, and a monthly detailed list of outstandings is supplied by that office for comparison with the Accountant's books.

362. Mineral Allowance Suspense Account.—In order that a proper check may be kept upon allowances to

RAILWAY.

Dr.

MINERAL REVENUE BALANCE SHEET, JUNE, 19—.

CR.

	£	s.	d.	£	s.	d.
To Balance brought forward..... (MINERAL OUTSTANDINGS DR. TO SUNDRIES)	900	0	0			
To Mineral Traffic Receipts, Tolls (Revenue for month).....Extras.....	1,000	0	0			
Less, Allowances, transferred to } Suspense A/c}	25	0	0			
	1,025	0	0			
	12	0	0			
	1,013	0	0			
To Transfers from Goods Ledger						
" Allowance Suspense A/c, for allow- } ances taken off revenue as above }	12	0	0			
" ——— Railway Co., R. & Co.'s } bad debt	3	0	0			
" ——— do. Allowance ..	6	0	0			
	1,034	0	0			
	1,934	0	0			
By Cash and Bills						
(SUNDRIES DR. TO MINERAL OUT- STANDINGS)						
By Transfers to Goods Ledger						
" Allowance Suspense A/c, for } allowances made during the month }	7	0	0			
" Provision A/c, for drawbacks	16	0	0			
" ——— Railway Co. for Carriage } of Coal	50	0	0			
" ——— do. proportion of } bad debt.....}	15	0	0			
" ——— do. Allowance	5	0	0			
	93	0	0			
" Balance carried forward						
	991	0	0			
	1,934	0	0			

traders, the Mineral Toll Account-Current is not credited until the vouchers, sent with the toll accounts to customers, have been certified by them and returned.

The total amount of the current month's allowances is, nevertheless, deducted from Revenue, and pending the return of the vouchers, transferred to a "Suspense" account, as shewn in the Mineral Revenue Balance Sheet.

This amount is afterwards reduced by the sum of the certified vouchers returned, and the balance, therefore, represents vouchers outstanding, of which a detailed record is kept in a Register for this purpose. Certified vouchers are afterwards handed to the Mineral Traffic Manager.

363. MINERAL REVENUE BALANCE SHEET.—

This contains a summary of the Mineral debits, credits, and outstandings for the month.

It is made up for the Book-keeper's use from the Debit List, Register of Allowances, Mineral Cash Book, &c., and compared with the entries in the Mineral Toll Account-Current, with which, of course, the figures should agree (399).

A specimen Balance Sheet is given on the page opposite.

364. Stations' Permanent Cash Balances.—The cash allowed to stations for the purpose of giving change, &c., is termed the "Station's Permanent Cash Balance," and the amount is determined from time to time by the General Manager.

When a new station is opened, the Manager advises the Accountant what balance to allow, and the Ledger office sends an authority to the station to deduct the amount from its traffic receipts, and to recharge the same "paid on" and "to pay" to the debit of the Accountant.

The agent's signature for the amount is obtained on a form of receipt kept in the Ledger office for this purpose, the forms

being type-numbered consecutively, and preserved, when signed, in a Guard Book, which is indexed to facilitate reference.

The debit in the Ledger office is cleared by transferring the items through the Coaching or Goods Revenue Balance Sheet, as the case may be, to the debit of a "Station Balances" account in the General Ledgers in the Book-keeper's office.

The amount of each station's balance is entered by the Ledger office in a Register, the total of which is compared periodically with the Book-keeper's account.

When a change takes place in the staff at a station, the Accountant is advised by the Superintendent, and a new receipt is obtained from the person placed in charge.

It is a duty of the Accountant's Inspectors to see that the cash actually in the possession of the clerks in charge of stations agrees with the amount entered in the Ledger office Register.

BOOK-KEEPER'S OFFICE.

365. We have seen in preceding sections how the accounts of income and expenditure are dealt with by the various departments, and how the summaries thereof are prepared by each office. We have now to shew how, in the Book-keeper's office, those accounts are passed to their respective places in the General Ledgers of the Company, and how the financial results of each half-year's operations are ascertained.

In the first place, the Book-keeper's office has nothing to do with the *details* of the station returns of traffic. So far as these are concerned, its main business is to pass to the debit or credit of the proper accounts in the General Ledgers, the gross figures as set forth in the monthly revenue statements and traffic balance sheets made up in the Coaching and Goods Audit and Station Ledger offices, these, as we have seen, containing complete summaries of the credits and charges on traffic.

On the other hand, the Book-keeper's is the only office in which a detailed record of the expenditure of all the departments is kept. The Book-keeper and his assistants examine all tradesmen's accounts owing by the Company (after they have been certified by the departments), also the salaries and wages of the staff; they record the same and hand them to the Secretary for payment, afterwards filing the receipted accounts and pay-bills. They also classify expenditure; separate Capital from Revenue charges; subdivide the items as may be necessary for the statutory requirements of the published accounts; and record the value of materials and general stores bought, issued, and in stock. They check, enter, and send out to the public the accounts for collection by the Secretary, and supply him

with schedules thereof, in order that he may collect the same. They take note of all cheques and dividend and interest warrants issued, cashed, and outstanding; and prepare the weekly financial statements for the Accountant to submit to the Directors' Finance Committee. These statements shew the Company's cash position for the time being, and forecast the probable cash income and outgoings during the ensuing week. The Book-keeper and his assistants keep the Banking accounts, and prepare the half-yearly Statements of Account for publication.

These are in brief the ordinary duties of the office. But charged as it is with the custody of the books and documents which set forth the financial progress and condition of the Company, this office is, as may be supposed, frequently called upon to furnish statements of earnings, costs, statistics, &c.

It is essential for the Book-keeper, therefore, to have, not only a good knowledge of accountancy, but also an intimate acquaintance with the principles of Railway finance, a clear discrimination of the nature of Capital and Revenue credits and charges, and aptness in discerning the exact bearings of figures and statements upon net results.

Before proceeding to details, the main features of the system of book-keeping, as practised in this office, may be briefly referred to.

366. The system is, of course, that of *Double Entry*. That is, every *debit* in the General Ledgers has its corresponding *credit* or credits therein, and *vice versâ*. Book-keeping by *Single Entry* contemplates Personal accounts only, and does not with precision exhibit trade expenses, losses, gains, or worth. *Double Entry* contemplates both Personal and Real accounts—Capital, Stock, and Profit and Loss; the latter, or "Revenue" account, denoting, in the case of Railways, the financial results of each half-year's transactions, and the balance of profit

available for distribution among the proprietors. Under this system all items to be entered in the General Ledgers are collected from subsidiary books and documents into Journals, and are posted from the Journals into the Ledgers. Thus the Journals contain a condensed record of the whole of the Company's financial transactions; they supply also references to books and documents by which details, or origin of entries, may be traced.

The arrangement of accounts in the General Ledgers is as follows:—One Ledger is reserved for “Real” accounts, and another for “Personal” accounts. The first contains the various accounts of the Capital and Revenue expenditure; the receipts on Stocks, Shares, Debenture Stock, and Debentures; the Revenue from Coaching, Goods, and Mineral traffic, and other sources; also the General Stores, Locomotive, Carriage and Wagon, Permanent Way, Signal, Telegraph, Coal, and other Stock accounts.

The second, or “Personal” Ledger, contains the Banking, Drawing, Bills Receivable, Investment and Temporary Loan accounts; also the Stations' traffic outstandings, the Railway Clearing Houses', Agents', Steamship and Foreign Railway Companies' accounts; Secretary's and Rent Collection accounts; Debenture Interest and Dividends Payable accounts, &c., &c.

The forms of Ledger accounts are of two kinds, and may be termed “Simple” and “Compound.” “Simple” accounts have one money column for the debits and one for the credits; “Compound” accounts are those which have several money columns on either or both sides, in order to shew the classification of the expenditure and income totals. This is the case with most of the *Real* accounts. For instance, expenses in connection with the Maintenance and Renewal of the Permanent Way, Stations, &c., are charged, in the manner hereafter described, to one account in the Ledger, but this account may contain no less than a dozen money columns on the debit side,

and one on the credit side; eleven of the debit columns being for the sub-division of the items posted into the twelfth, or total debit column, as follows : (a)

Column No. 1.—Salaries and Office Expenses.

„	„	2.—Maintenance and Renewal of Way (Wages).
„	„	3.—Do. do. (Materials).
„	„	4.—Repairs of Roads, Bridges, Signals, and Works.
„	„	5.—Do. Stations and Buildings.
„	„	6.—Engine Power.
„	„	7.—Maintenance of Canals.
„	„	8.—Repairs of Rental Property.
„	„	9, 10, and 11.—Reserved for Sundries.
„	„	12.—Total.

At the end of a half-year the total of the credit side is analysed and deducted from the columns on the other side of the account to which they appertain, and the balances are inserted in the half-yearly printed accounts.

All the 'ordinary expenditure of the Company—including tradesmen's and other accounts, wages, and salaries paid; general stores, coal and coke issued; permanent way and other materials used—is passed through the Journals to the debit in the first instance of a general "Expenditure Account," and to the credit of a cheque "Drawing Account," General Stores, Coal, or some other Stock account, as the case may be. This expenditure debit, after classification, is cleared at the end of each month by transfer to the separate accounts in the Ledgers to which the items belong. This will be seen as the details are examined.

The most important books are arranged on a self-checking method, and in their adaptation to extensive and varied trans-

(a) The classifications of expenditure in the Maintenance of Way, Locomotive, Carriage, Wagon, Traffic and other departments will necessarily be extended and adapted to the forms given in the Schedule to the Railway Companies (Accounts and Returns) Bill, 1911, when this has been passed into Law. (See pages 500 to 535).

actions, exemplify the benefit of division of labour. Thus, in the system described, we have supposed there are two General Ledgers and four Journals; and of books of detail, six Expenditure Ledgers for Tradesmen's and Railway Companies' accounts, Rates and Taxes, &c. There is one book for the analysis of Bankers' payments, and four for analysis of Bankers' receipts; also five books termed "Classifications," in which the departmental expenditure is exhibited in a detailed form. Besides these, several subsidiary books are kept, the principal object of which is to elucidate accounts in the General Ledgers, and to relieve them of cumbrous particulars. For instance, separate Ledgers containing the accounts for collection by the Secretary make it unnecessary to keep in the General Ledger more than one account, styled "Secretary's Collection," notwithstanding that it may represent thousands of accounts owing to the Company. The "Drawing Account" book, "Dividends Payable" book, and "Debenture Interest Payable" book shew how the balances of the corresponding Ledger accounts are made up; and so on.

By means of these books the duties of the office are conveniently distributed, Journal and Ledger entries abbreviated, and a reliable check secured.

This remark applies, of course, with even greater force to the voluminous Traffic Ledgers kept in the Station Ledger office, which are represented in the General Ledgers by "Coaching," "Goods," and "Mineral" Traffic outstanding accounts.

Another feature of the system deserving of notice is the plan of stamping the outside of each successive set of the principal books of account with a distinctive letter of the alphabet. For instance, the two General Ledgers may be respectively stamped "**P** No. 1" and "**P** No. 2." The six Tradesmen's, &c., Ledgers, covering the same period, would also be marked "**P** No. 1" up to "**P** No. 6," and so on with the Journals and other books contemporaneous with the foregoing, the succeeding series being

marked "Q." This practice greatly facilitates reference from one book to another, and in after years affords ready access to all the books that may have been in use at any one time.

Passing now to detail, we will consider the operations in connection with the checking and entering for payment of tradesmen's accounts, wages, and salaries, by the Book-keeper's staff, and the drawing and remittance of cheques in respect of the same by the Secretary. Then, after shewing how the tradesmen's accounts, cheques, &c., are journalised, we will take the ordinary monthly entries in the Journals as the basis of subsequent observations relative to the duties of the office.

367. Tradesmen's, &c., Accounts.—The first matter to notice in connection with expenditure is that the payments are made by drafts upon the Bankers, and that these are signed by or for the Secretary.

As we have pointed out, the rule as regards cash, cheques, and acceptances, for traffic and other accounts, received at stations or by the Secretary, is that they be paid to the Company's credit with its Bankers, excepting, however, those cases in which special authority may have been given to agents at stations to disburse sums out of their traffic receipts, as described in former sections.

Money once lodged with the Bankers cannot be withdrawn, however small the amount, without the consent of the Directors' Finance Committee, which, for the purpose of signing necessary documents, and conducting general finance business, meets every week.

Further, cheques may not be drawn by the Secretary, except for amounts that have been in the first instance certified by the departmental Committees, and subsequently examined and recorded in the Book-keeper's office, and certified by the Accountant; nor may a cheque be paid away by the Secretary without the Accountant's initials on the counterfoil.

The accounts for payment, after having been passed by the

various Committees of Directors, are sent to the Book-keeper's office.

Three certified lists accompany each department's batch of accounts; one of accounts amounting to £5 and upwards; one of accounts under £1; and one of accounts over £1 and under £5. The reason for this distinction will be presently explained.

When received by the Book-keeper, the accounts are checked as to calculations and additions, and compared with the lists; the certificates attached to the accounts in the respective departments, and the endorsements of name and amount being also examined to see that the particulars correspond. Any errors having been corrected, the accounts are "indexed," that is to say, marked with the Ledger folio which records the previous payment, if any, preparatory to being entered in the

368. Expenditure Ledgers.—Of these, we have assumed there are six:—

- No. 1, For Railway Companies (*i.e.* for payments charged direct to "Expenditure"), Way and Works, Locomotive, Carriage and Wagon, and Stores departments accounts; also payments for purchase of land, &c., and miscellaneous claims settled by the Company's Solicitors.
- No. 2, for the accounts of the Traffic department and Secretary's Advertising accounts.
- No. 3, For Agents' disbursement accounts, with space reserved for accounts for which room may not be available in Ledgers 1, 2, and 4.
- No. 4, For payments to sundry persons for whom it may not have been considered necessary to open separate accounts in either of the other Ledgers; also the departmental accounts for services performed by the departments for each other.

EXPENDITURE LEDGER

BELL'S UNITED ASBESTOS COMPANY, LIMITED,

Southwark Street, London, S.E.

Cheque Reference.		Amount Paid.	Cheques Journal Folio.	Dates of Account.		PARTICULARS.	Department.	Journal Folio.	Amount.	Total Amount.
Date.	Bank and Number.			From	To					
19—.		£ s. d.							£ s. d.	
June 6th	G 3816	155 0 0	P 215	April 5	19— April 30	"Salamander" Brand. Italian Asbestos Patent Woven Packing Italian Asbestos "A 1" Millboard (2½ 0/0)	Stores. "	P 1 180	95 0 0 60 0 0	155 0 0

No. 5 Contains the accounts of the Hotels and Refreshment Rooms department.

No. 6, Rates and Taxes.

The business of writing up the indexes to these books forms a very important part of the work, especially in connection with the sundry accounts in Ledger No. 4; inasmuch as a principal object of these Expenditure Ledgers is to prevent bills being paid twice over, and this object would not be attained unless every account paid were indexed in such a way as to furnish a reference to the nature and dates of former accounts.

On some of our principal Railways from sixty to a hundred thousand accounts are paid annually, a large proportion being classed as "sundries," so that it is necessary in these cases, and in the case of payments through the Company's Solicitors for land, owners' and occupiers' compensation, interest on purchases, &c., to give a *separate* reference in the indexes to *each payment*.

These indexes are consequently very voluminous, and great care has to be taken in noting the Christian names of the parties, their places of residence, and any other particulars, to distinguish them from others of the same or similar name. For, as may well be supposed, the numerous Browns, Smiths, and Robinsons who draw upon the resources of a great Railway Company, make these distinctions all-important in insuring correct record and reference.

The index reference to the previous payment having been marked on the back of each account, the particulars are entered in the Expenditure Ledgers from the accounts themselves, to the credit of the persons to whom the amounts are due. A specimen entry is given on the opposite page.

The date and short particulars of each account are carefully noted in the Ledgers, with the view of intercepting possible duplicate charges. If any doubt is entertained as to the

correctness of an account, *i.e.*, as to the whole or some portion of it having been previously paid, the details of former bills are referred to, and, if necessary, the department concerned is communicated with. In recording payments on account of contract work, the aggregate amount "already paid" is marked against each entry for the purpose of checking the certificates and final accounts. Notes are also made of cash discounts allowed, in order that it may be seen that similar deductions are made from succeeding payments. Then, as the entries are made, the Ledger folios are marked on the accounts, and afterwards recorded in the Index.

The *debit* side of these Expenditure Ledgers, *i.e.*, cheque date, number, and amount is written up from the accounts after the cheques have been drawn. The credit entries are afterwards compared with the Expenditure Journal, and the debit entries with the Cheques Journal, the Ledger folio being inserted in both these books.

In addition to the six "Expenditure" Ledgers we have described, another small Ledger is kept, called the "Duplicate Personal Ledger." In this book are recorded, in a similar way, the particulars of payments charged to *Personal* accounts in the General Ledger, such as the Railway Clearing House, Foreign Railway and Steamboat Companies, and others, in respect of traffic, services performed, &c., passed through the Revenue Books of the Audit offices and Traffic Balance Sheets of the Station Ledger office, or by special journal entry, to their credit.

Such of these and other accounts for payment as relate to his department are certified by the Accountant, and submitted by him weekly to the Finance Committee for approval.

The utility of the Expenditure Ledgers have been partly described. It will be seen, however, that not only do they furnish a good means of detecting duplicate items and accounts,

but the vouchers, together with the receipts, being ultimately filed in the Book-keeper's office in the order of the progressive numbers of the cheques drawn, the Ledgers give excellent facilities for immediate reference to any original bill or receipt that may be wanted, whether a week only, or a quarter of a century may have elapsed since it was paid.

After the bills have been thoroughly examined and compared as to dates, payments on account, &c., with the former entries in the Ledgers, and initialled by the Book-keeper, they are sent to the Secretary for the cheques to be prepared, the Accountant afterwards signing the following form of certificate attached to each, when comparing them with the cheques:—

I hereby Certify that I have examined the above account, that the same appears correct, and has not been paid before.

Accountant.

369. Accounts Passed Book.—In this book are entered the *totals* of the accounts passed by the Accountant to the Secretary for payment every week, the amount certified by each department being entered from the lists in the proper column.

Such of the accounts as are “personal,” are entered apart from those which are chargeable direct to “Expenditure,” totals being first made of the “Expenditure” columns, and afterwards aggregate totals of all the columns for both classes of accounts.

It is balanced with the drafts as shewn by the totals of cheques drawn in the Secretary's “Remittance Book” and “Bank Advices” (372), the first and last numbers and total amount of the cheques drawn on each Bank being entered in the Accounts Passed Book in the columns for this purpose.

370. Wages.—The checking of the weekly Pay-bills of the whole of the staff of a great railway forms an important part of the duties of the Book-keeper's office.

After being thoroughly examined as to calculations and additions, and, in the case of the Locomotive and Carriage departments, compared with the Piece Work Books and expenses certificates, the bills are called over with the department lists, which are corrected as may be necessary in detail and total; the wages, and amounts to be deducted therefrom for clubs, rents, assurance, or fines, being shewn in separate columns. The totals of the bills, *less* stoppages and *plus* sick allowances to club members, are then transferred to abstracts, so as to shew the actual amount of cash to be remitted to each station. The total amount to be remitted for sick allowances is reimbursed to the Company every week by the Friendly Society.

Separate abstracts are prepared, and separate cheques drawn for the respective cashiers' districts, and the amounts for each station and department are entered as indicated by the following headings :—

BRANCH. STATIONS' PAY LIST. WEEK ENDING							19—.
1	2	3	4	5	6	7	8
Stations.	Coaching.	Goods.	Engineering.	Stores.	Locomotive.	Carriage.	Total.

After the totals have been agreed with those of the departmental lists, they are transferred to a General Summary, shewing the amounts to be drawn for wages and sick pay on each Bank. Cheques are also drawn for the amount of stoppages for club, rents, fines, insurance, &c., respectively, and dealt with as described farther on.

The General Summary is then certified, and, after being entered in the "Accounts Passed Book," is handed to the Secretary for the drafts to be prepared. It is also submitted to the next meeting of the Finance Committee for approval. The drafts, pay-bills, and abstracts made up by the Book-keeper, are then forwarded to the district cashiers.

371. Salaries.—The salary lists of the various departments are dealt with in a similar way. They are examined

as to staff alterations, new appointments, salary advances, reductions, &c. Lists of these advances, appointments, &c., certified by a Director and by the Head of the department concerned, also copies of Board or Committee Minutes relating to similar matters, are furnished from time to time to the Accountant.

The salary totals for each station, less stoppages for superannuation, rent, &c., are afterwards transferred to district abstracts, and a General Summary is prepared and dealt with in the manner described for wages.

An abstract of the Capital and Revenue accounts chargeable, for use in making up the Classifications of Expenditure, is made at the foot of the General Wages and Salaries Summaries. In doing this, recourse is had to the classified abstracts of wages and salaries furnished by the departments (see 122, &c.).

372. Secretary's Department.—Drawing and Remittance of Cheques, &c.—The accounts received from the Book-keeper for payment are sorted in the Secretary's office in the order of the Banks on which the cheques are to be drawn.

Blank cheques with perforated counterparts are kept in books, and are type-numbered consecutively (a separate series for each Bank), and are in the following form :—

_____ Railway Company.		
No. _____		_____ 19—.
To the _____ Bank, _____		
Pay to _____ the sum named below on the receipt being presented through a Banker duly signed and dated.		
		_____ Secretary.
Received from the _____ Railway Company		
the Sum of _____ as per particulars furnished.		
Signature _____		
Date _____ 19 .		
£ : :		

The drafts are made out from the accounts, the number and date of the cheque, and initial letter of the Bank on which drawn, being marked by the Secretary's staff on the back of the accounts, and on the certificates attached to them. These "Cheque Numbers" then become, for all purposes of Book-keeping and reference, the "Voucher Numbers."

No cheque (except as hereafter mentioned) is drawn for a smaller amount than £5.

The "**Remittance Book**," also made up *from the accounts*, shews the date, name, amount, and number of every cheque drawn on each Bank, and a weekly total.

The "**Bank Advice**" Sheets are made up *from the drafts*, and contain, for the information of each Bank, a complete list of the cheques drawn on that Bank in the current week, the totals being balanced with the Remittance Book.

After being examined in detail and total by the Accountant and Finance Committee, and the total amount having been inserted at length in words, the advices are signed by the Accountant, one Director, and the Secretary, press copied, and forwarded to the respective Banks; the rule being that no cheque (except for wages and salaries), purporting to have been issued by the Company shall be honoured by the Bankers unless a corresponding entry appears in a "Bank advice" sheet.

The drafts are then handed, together with the vouchers, to the Accountant for final examination. After he has attested the correctness of the drafts by his initials on the counterparts thereof, they are returned to the Secretary to be signed by him, and sent to the tradesmen and other persons in whose favour they are drawn.

In remitting cheques an advice note is enclosed with each, giving particulars of the account, cheque number, directions to payee, &c. If corrections have been made in an account,

particulars are quoted. This is also done in the case of stoppages made for carriage accounts and other debts, due to the Company.

Every letter containing a remittance is carefully checked and registered in a book for this purpose, before being sent away.

The receipts in respect of cheques of £5 and upwards are taken on the cheques, as shewn on the specimen given on page 368 ; and the directions above referred to in the Secretary's advice note state:—"The draft, after being signed and dated, is to be passed for presentation to the Bankers upon whom it is drawn. The endorsement is not sufficient. The Company do not require any other acknowledgment, except in special cases, where the form will be supplied."

As the Bankers see, before cashing the cheques, that the form of acknowledgment is properly filled up, and send the paid cheques in their weekly parcel containing the Pass books, &c., to the Accountant, this plan ensures the punctual return of the receipts to the Company, and saves trouble and cost of postage to tradesmen. Moreover, by the use of the foregoing form of cheque, which bears the usual embossed Inland Revenue stamp, receipt stamps are not necessary.

The paid cheques are afterwards attached to the accounts in the Secretary's office, and are then returned in numerical order, as complete vouchers, to the Book-keeper.

373. Wages.—For the reason that the wages cheques are usually drawn mid-way between the weekly meetings of the Finance Committee (too late for inclusion in the previous Bank Advice and too early for the next one) the cheques are signed by the Secretary and the Accountant, and are cashed by the Bankers, subject to the amounts being entered in the following week's advice.

The cheques are sent by the Secretary to the district cashiers, who obtain cash for the same from the Bank for their district, and distribute in the travelling cash-boxes the amount required by each station as shewn by the Book-keeper's abstracts; the pay-bills being also enclosed with the cash.

The district cashiers' acknowledgments of the remittances are obtained by the Secretary on special forms, and these are attached to the General Wages Summaries, which thus become complete vouchers for the expenditure.

The signatures of the staff are taken, with some exceptions, on the pay-bills, and when the latter have been certified in prescribed form by the clerks-in-charge at the stations—"That the amounts set opposite the respective names have been paid as expressed"—they are returned to the Accountant, examined as to signatures, and stored away in the Book-keeper's office. Bills not returned in due course are applied for, and it is an important duty to see that in all cases where proper signatures have not been given, the irregularities are rectified, or that the money has been paid to the Secretary, or a satisfactory explanation supplied.

374. Salaries.—These are dealt with in the same way as wages, except that the receipts of the staff are taken on separate vouchers, which are afterwards compared with the lists.

374a. Stoppages for Club, Rent, &c.—The cheques for the amount of the deductions for wages and salaries for "Club" are paid to the Treasurer of the Friendly Society represented (this being a convenient and inexpensive mode of collecting the subscriptions); those for rents are entered in the Secretary's Cash Book, paid to Bank with his ordinary receipts, and passed to the credit of the Rent Collection account; those for fines pass in like manner to the credit of expenditure; and those for

superannuation, guarantee, insurance, income tax, &c., to the credit of the respective accounts.

375. Accounts under £1.—These are drawn in one cheque, as per lists, in the name of the Secretary, and the amounts are remitted by his cashier either by post office order, stamps, or coin enclosed in “value” parcels, sent to the station-masters or agents.

The particulars of every remittance are registered, and the entries are marked off as the receipts are obtained.

376. Accounts of £1 and under £5.—These also are drawn in one cheque in the Secretary's name, and paid to the Company's Bankers to the credit of a “Secretary's Drawing Account.”

Cheques, payable to bearer, are then drawn by the Secretary on this fund for the accounts it represents, and after being entered in a Remittance Book, and examined by the Accountant, are sent by the Secretary to the payees by post, their receipts being obtained, in this instance, on separate forms, which, when signed, are attached to the accounts.

A detailed record of the cheques drawn, cashed, and outstanding (the latter representing the credit balance at the Bank), is kept in the Book-keeper's office.

The principal advantages of this arrangement are that tradesmen get what to them is equivalent to cash payments without the trouble and expense of separate cash remittances; and this is effected without burdening the Company's general Banking account with detail, or in any way impairing (but in fact improving) the efficiency of the check on the payments.

377. Bankers' Transfers.—When the position of the Bank balances is such as to necessitate cash transfers from one Bank to another, a form of request, as under, is sent by order of the Finance Committee to the Bankers by whom the transfers

are to be made, the amounts being entered in the Remittance Book and weekly Bank Advices.

RAILWAY COMPANY.

ADVICE OF TRANSFER.

No. _____ 19—.

To Messrs. _____

Gentlemen,

My Directors request that you will be kind enough to transfer to the credit of this Company with Messrs. _____ the sum of _____ to be with them on the _____

Yours truly,

Secretary.

£ _____

We will now explain the method of dealing with the vouchers on their return to the

378. Book-keeper's Office.—Each week's vouchers, after being sorted in the order of Banks and cheque numbers, and compared with the Secretary's Remittance Book to see that none are missing, are, for the purpose of journalising and classifying the expenditure, re-sorted (still preserving the numerical and Bank arrangement) into departments in this order, *viz.*:—

- I. Way and Works ;
- II. Locomotive, Carriage and Stores ;
- III. Traffic ;
- IV. Hotels ;
- V. Finance, and Telegraph ;

these being the general heads corresponding to the names of the several Expenditure Classification Books to which we shall presently refer.

Those for which separate Personal accounts are opened in the General Ledgers are sorted into a separate bundle.

379. The accounts, excepting "Personal," are then journalised in the following manner :—

JOURNAL

June 6th, 19—.

		£	£
Expenditure (Suspense) Account Dr. to Sundries ...		1,990	
For Wages and Accounts due as under:—			
(Way & Works, £600).	To Wages		100
	„ E. H. Heasman		200
	„ W. Smithson		175
	„ R. Thompson's exors.		125
(Locomotive, &c., £420).	„ Wages		70
	„ Spinning Wheel Co., Ltd.		110
	„ Steam Whistle Co.		40
	„ Bell's United Asbestos Co., Ltd		155
	„ Job Taylor & Co.		45
(Traffic £680).	„ Wages		350
	„ H. Wilkinson... ..		120
	„ W. Carter		74
	„ Stevenson, Hall & Co.		136
(Hotel £75).	„ J. Hill		33
	„ W. Butcher		26
	„ Edwin Smith		16
(Finance & Telegraph	„ F. Duesbury		35
Department, £215).	„ J. Mortimer		62
	„ Birmingham Parish... ..		91
	„ Nottingham Parish		27

The total for each department, as shewn by the figures in brackets, and the total for the week is balanced with the amount of the accounts (exclusive of "Personals"), entered in the "Accounts Passed Book," which, having been previously agreed with the Secretary's Remittance Book, is taken as the basis of the expenditure entries in the Journal.

380. The accounts are then handed to the clerks whose duty it is to classify them; and the amount is posted to the

debit of the "Expenditure (Suspense) Account" in the General Ledger as follows:—

DR.		EXPENDITURE (SUSPENSE) ACCOUNT.										CR.	
19	Way & Works.	Loco., Carriage and Stores.	Traffic.	Hotels.	General Charges or Finance.	Total.		Way & Works.	Loco., Carriage and Stores.	Traffic.	Hotels.	General Charges or Finance.	Total.
June 6.	£	£	£	£	£	£		£	£	£	£	£	£
To sundries	600	420	680	75	215	1,990							

This is here termed a "Suspense" account because it is used mainly as a convenient temporary account until the expenditure has been classified and posted to the proper accounts, when it is cleared.

As this account, however, must be balanced by the credit entries every month, it serves as a most useful check on the accuracy of the Classification totals, as shewn farther on.

The *credit* items, as in the preceding example of Journal entry, are *not* posted into the *General* Ledgers; the amounts having been previously passed, as we have seen, to the credit side of the Expenditure Ledgers. The corresponding *debits* for these items, and the corresponding credit for the total amount posted, as above, to the debit of Expenditure (Suspense) Account, are obtained through the Cheques Journal, and will be found on reference to the example given on next page.

381. Cheques Journal.—This is written up from the Secretary's Remittance Book, and contains a complete list of the cheques drawn weekly on each Bank for wages and accounts.

In journalising the cheques, those items to be charged direct to Personal accounts in the General Ledgers are separated from the rest, and the entries are made as under. The total is balanced with the Secretary's figures and Accounts Passed Book.

CHEQUES JOURNAL.

Cheques drawn June 6th, 19—.

						£	£
Sundries Dr. to Drawing Account							2,340
For Cheques drawn this day, viz. :—							
						£	
On Capital and Counties Bank	...	...	...	...	582		
„ National and Provincial Bank	...	...	...	...	419		
„ Birmingham and Midland Bank	...	...	...	...	274		
„ Leeds Branch Bank of England	...	...	...	...	236		
„ Cunliffes, Brookes & Co.	...	...	...	...	109		
„ Glyn, Mills & Co.	...	...	...	...	720		
						<u>£2,340</u>	
Wages, Week ending	...	On C. & C.	£114	on N. P.	£39	520	
		„ B. & C.	£110	on Leeds	£84		
		„ C. B.	£35	on Glyn's	£141		
E. H. Heasman	...	...	...	Cheque, No. C.	4,513	200	
R. Thompson's exors.	...	...	...	„	4,514	125	
H. Wilkinson	...	...	...	„	4,516	120	
Job Taylor & Co.	...	...	...	„ N. P.	2,614	45	
Nottingham Parish	...	...	...	„	2,615	27	
Stevenson, Hall & Co.	...	...	...	„	2,616	136	
W. Smithson	...	...	...	„	2,617	175	
Birmingham Parish	...	...	...	„ B.	481	91	
J. Hill	...	...	...	„	482	33	
Steam Whistle Co.	...	...	...	„	483	40	
Spinning Wheel Co., Ltd.	...	...	...	„ L.	1,421	110	
W. Butcher	...	...	...	„	1,422	26	
Edwin Smith	...	...	...	„	1,423	16	
W. Carter	...	...	...	„ C. B.	5,328	74	
Bell's United Asbestos Co., Ltd.	...	...	...	„ G.	3,816	155	
F. Duesbury	...	...	...	„	3,817	35	
J. Mortimer	...	...	...	„	3,819	62	
						<u>£</u>	1,990
<i>Personal Accounts.</i>							
Railway Clearing House	...	...	...	„ G.	3,818	175	
				Balance of Traffic	...		
J. Wilkinson	...	...	...	C.	4,515	23	
				Commission on Special Train	...		
X _____ Railway Co.	...	...	...	G.	3,820	152	
				Proportion of Coal Traffic	...		
						<u>£</u>	<u>2,340</u>

Whilst debits are thus found for the credits (amounting to £1,990) in the Expenditure Ledgers, the *double entry* in the General Ledgers is completed by posting (1st) the total amount of the cheques to the credit of the "Drawing Account," and (2nd) the Personals to the debit of their respective accounts, thus :—

Debits in General Ledgers :—

						£
Expenditure (Suspense) Account	...					1,990
Railway Clearing House	...	...				175
J. Wilkinson	...	...	...	...		23
X Railway	...	...	...	...		152
						<hr/>
Total Dr.						<u>£2,340</u>

Credit in General Ledger :—

DR.								DRAWING ACCOUNT.								CR.	
	Glyn & Co.	C.	N. P.	B.	L.	C. B.	Total.		19	Glyn & Co.	C.	N. P.	B.	L.	C. B.	Total.	
	£	£	£	£	£	£	£			£	£	£	£	£	£	£	
									June 6.								
									By								
									Sundries.	720	582	419	274	236	109	2,340	

Each week's wages accounts and cheques are journalised and posted in the same way.

382. The "Expenditure (Suspense) Account" is also debited weekly, with the value of Stores issued, as shewn by the statements furnished by the General Stores department (117), and with the value of Coal issued to engines, as shewn by the

statements furnished by the Locomotive department (128), and these are journalised as follows:—

Expenditure (Suspense) Account Dr. to General Stores		£	£
		600	600
(Way and Works, £225)	For Stores issued week ending this day ...		
(Locomotive, &c., £134)	„ „ „		
(Traffic, £161)	„ „ „		
(Hotels, £15)	„ „ „		
(General Charges, £65)	„ „ „		
<hr/>			
Expenditure (Suspense) Account Dr. to Coal and Coke			
Stock	... ..	200	200
For Coal and Coke issued week ending this day.			
<hr/>			

383. The same account is likewise *debited*, monthly, for the value of Permanent Way Materials used, Produced, and Sent to Stores, as shewn by the statements furnished by the Way and Works department (123), the respective accounts *credited* in the General Ledgers being as follows:—(1) “Permanent Way Stock” for materials used; (2) “Maintenance of Way Expenditure Account,” or New Lines or Sidings (Capital) accounts, for materials taken up, or “Produced”; and (3) “Maintenance,” “Capital,” or “Stock” accounts, as the case may be, for Materials sent to Stores.

It may seem anomalous for materials “Produced” and “Sent to Stores” to be *debited* to “Expenditure,” but it must be borne in mind that this is simply a “Suspense” account, and that it is subsequently cleared by the proper Capital, Revenue, or *Stock* accounts, being debited through the Classifications of Expenditure.

The foregoing constitute all the ordinary weekly and monthly debits to the Expenditure (Suspense) account in the Ledger to which reference need be made.

384. The business of *classifying* these debits according to

the various Capital, Revenue, and Stock accounts ultimately chargeable therewith in the General Ledgers is then proceeded with, and the classification is made in the books for this purpose as follows :—

- I. Classification of Way and Works department Expenditure.
- II. Do. Locomotive, Carriage, and Stores do.
- III. Do. Traffic do.
- IV. Do. Hotels do.
- V. Do. Secretary's, General Manager's, Accountant's, and Telegraph department Expenditure.

Each book is ruled as shewn on the following page.

Accounts are opened corresponding with the various expenditure accounts in the General Ledger, thus:—

385. The Way and Works Classification contains—

- I. *Capital Expenditure Accounts*.—A separate Capital account is kept for each branch or extension of the Railway in respect of which outlay is incurred, and the items are sub-divided, in the columns marked *, as follows :—

- (a) Land and Compensation.
- (b) Rails, Chairs, Sleepers, &c.
- (c) Works of Road and Stations.
- (d) Engineering and Surveying.
- (e) Law Charges.
- (f) Parliamentary Expenses.
- (g) Interest on Land Purchases (when chargeable to Capital).

Total.

- II. *Sidings, &c., for Sundry Parties*.—This account is debited with Way and Works department expenditure in connection with the construction of private

CLASSIFICATION OF EXPENDITURE. (a)

Account.

DR.

CR.

Cheque, &c., Refer- ence.	Name.	Particulars.	Date of Account.	* CLASSIFICATION. [Here are eleven Money Columns.]	Total. £ s. d.	Monthly Total. £ s. d.	Date.	Name.	Particulars.	Refer- ence.	Amount. £ s. d.

(a) See Note, page 358.

sidings, &c., and rechargeable to other Companies or private firms.

Note.—The Bills for this work, when rendered to the various firms, are passed to the credit of this "Sidings" account (which is thus cleared) and to the debit of "Secretary's Collection."

III. *Maintenance, &c., of Way.*—To this account is charged all expenditure in connection with the maintenance and renewal of the railway, works, buildings, &c., and the items are sub-divided as explained at page 358.

IV. *Compensation Account.*—For payments, &c., passed by the Way and Works department for damages to crops, &c., by sparks from the engines, injuries to cattle straying on the line, &c., &c.

V. *Rents Account.*—This is charged with all payments for rent of premises, &c., in the occupation of the Company.

Note.—The Rents account is also credited, and the Secretary's Rent Collection account debited, at the close of the half-year, for rents receivable during the half-year from tenants of the Company's houses, land, &c., as shewn by the Land Agent's advice, and the Secretary's rent collection balance sheet. It is then also debited, and the Maintenance of Way account credited with the cost of repairs, &c., of rental property during the half-year.

VI. *Permanent Way Stock Account.*—This is debited with the value of all permanent way materials issued by the Stores department to the Way and Works department, and taken into stock, as shewn by the weekly classified abstracts of stores, &c., received, furnished by the latter department to the Accountant. It is also

charged with the value of materials produced, previously referred to.

Note.—The Permanent Way Stock account being *credited* with materials used, and with materials sent out of stock to the Stores department, and *debited* with the charges just mentioned, the Ledger balance at the end of each half-year should represent approximately the value of materials in stock. This balance is compared with the half-yearly detailed valuation of the stock, and any adjustments necessary are made by the Accountant.

VII., VIII., and IX. *Signal, Telegraph, and Sleepers (creosoting) Stock Accounts.*—These accounts are often charged in a similar way with the value of materials received from the Stores department, and are credited with materials used out of stock, or sent to the Stores department.

In the case of sleepers delivered to the creosoting establishment, the cost of labour, &c., expended upon them while there is also charged to the Stock account. The extra debit is cleared by recharging to the Stores department when the creosoted sleepers are sent thereto.

386. Classification of Locomotive, Carriage, and Stores Departments Expenditure (a).—In this book are opened accounts for—

I. *Locomotive Power.*—To this account is charged all expenditure in connection with the working, repairing, and renewing of engines; and the items are subdivided as follows:—

Running Expenses.

(a) Coal, Coke, and Firewood.

(b) Wages of Enginemen and firemen.

(a) See Note, page 358.

(c) Wages of Coal or Coke-men and Cleaners.

(d) Water.

(e) Waste, Oil, Tallow, and Clothing.

Repairs and Renewals.

(f) Wages of Mechanics for repairs.

(g) Materials for repairs.

(h) Salaries.

(i) Stationery and Printing.

(j) Repairs of Shops and Engine Turntables.

(k) Gas.

Total.

II. *Repairs and Renewals of Carriages and Wagons.*—(a) The items of this account are classified under the following heads:—

(a) Wages for repairs.

(b) Materials for repairs.

(c) Salaries.

(d) Stationery and Printing.

(e) Gas.

(f) Repairs of buildings.

Total.

A detailed record of the costs of repairs, &c., to carriages is kept by the Superintendent of this department, and the division of the expenses as between "Carriages" and "Wagons" is made half-yearly.

III. *Carriage and Wagon Hire.*—This contains a record of the payments for hire, mileage, and demurrage of working stock.

IV. *Compensation.*—The charges to this account consist principally of payments for damages to other Companies' and traders' working stock.

V. *Gas.*—This account is debited with wages, fuel, stores,

and salaries in connection with the Company's manufacture of gas, and with all gas accounts paid.

Note.—The Company's charges to occupiers of rental property for gas, and charges against the Locomotive, Carriage, and Way and Works departments, are credited to this account, and the balance representing the cost of lighting stations, signals, &c., with gas, is transferred to the debit of "Traffic Expenses" at the end of each half-year.

VI. *Stores Expenses.*—This account is charged with the administration expenses in connection with the purchase and distribution of stores.

Note.—This account is cleared at the end of each half-year by transferring the expenses, on an apportionment furnished by the General Stores department, to the debit of the various departments chargeable therewith.

VII. *Working Stock (Capital) Account.*—This account is debited with the cost of additional engines, tenders, carriages, wagons, and machinery, authorised by the Directors to be constructed or purchased on Capital account.

VIII. *General Stores.*—This account is charged with all payments for coal, 'general stores, and permanent way materials purchased by the Stores department; also with the value of old materials sent to the Stores by the Way and Works, and other departments.

Note.—The *Credits* to this account consist of the total value of the issues, as shewn by the weekly statements thereof; the balance of the General Stores account in the Ledger being compared with the detailed valuation of the stock yearly,

and any adjustments necessary made by the Accountant.

IX. *Coal and Coke Stock*.—The debits to this account consist of the amounts transferred to the Locomotive department through the Stores issue statements.

Note. The *Credits* are made up of the amounts shewn by the weekly returns of the consumption, furnished by the Locomotive department.

Stock is taken at the close of each half-year, and the "book stock" as shewn by the Ledger, adjusted to the actual stock by the Accountant transferring the difference to the debit or credit of Locomotive department expenditure, as the case may require.

The accounts of the stocks of materials and stores in the Locomotive and Carriage departments also have an important place in the Ledgers. These accounts are adjusted at the close of each half-year by transferring the decreased or increased value of the stocks to the debit or credit of the Locomotive and Carriage department Expenditure accounts, as the case may be.

387. Classification of Traffic Department Expenditure (a).—Accounts are opened in this book as under:—

I. *Traffic Expenses*.—This includes the expenses in connection with the working of the traffic. The items are classified as follows:—

- (a) Salaries, including Travelling Expenses
- (b) Wages.
- (c) Fuel, Lighting, Water, and General Stores.
- (d) Clothing.
- (e) Stationery, Printing, and Tickets.
- (f) Horses, Harness, Vans, and Provender.

(a) See Note, page 358.

- (g) Wagon covers and Ropes.
- (h) Joint Station Expenses.
- (i) Miscellaneous Expenses.
- (j) Branch Coaching, *i.e.*, Omnibus Expenses.
- (k) Working and repairing Hoists and Travelling Cranes.

Total.

II. *Compensation*.—To this account are charged payments in respect of

- (a) Personal injury to Passengers.
- (b) Claims for damage to or loss of Parcels, &c.
- (c) do. do. Goods (Foreign).
- (d) do. do. „ (Local).
- (e) Medical attendance.
- (f) Sundry expenses.

Note.—The half-yearly total of goods claims returned for division with foreign Companies is transferred to the debit of the Merchandise Traffic Revenue account, this account being credited through the Clearing House Settlements with the foreign proportion of the loss.

III. *Government Duty*.—The monthly payments for Government Duty on passenger traffic are charged to this account.

IV. *Cartages*.—All payments to agents, &c., for cartages are charged to this account. The expenses connected with the Company's own carting stock, however, are included week by week in the debits to the various subdivisions of "Traffic Expenses" account (horses, provender, drays, wages, &c.), and, at the end of each half-year, the cost of cartages performed by the Company's teams is ascertained and transferred from "Traffic Expenses" to the "Cartages" account.

After deducting sundry credits, the balance of the Cartages account is then transferred to the debit of "Merchandise Traffic Receipts" in the General Ledger, and shewn in the published accounts as a deduction from Goods Revenue.

VI. *Coaching Traffic Receipts.*

VII. *Merchandise Traffic Receipts.*

These accounts include payments for commission, boat-hire, tonnages, dock dues, tolls, rebates, and other drawbacks on traffic.

388. Classification of Secretary's, General Manager's, and Accountant's Departments Expenditure (or "General Charges") (a).—In this book are the following accounts :—

I. *General Charges.*

- (a) Direction.
- (b) Auditors, including Clerk and Expenses.
- (c) Salaries of Secretary, General Manager, Accountant, and Clerks.
- (d) Office expenses of do. do. do.
- (e) Postage and Receipt Stamps.
- (f) Advertising.
- (g) Fire Insurance.
- (h) Electric Telegraph Expenses.
- (i) Railway Clearing House Expenses.
- (j) Miscellaneous Expenses.
- (k) Travelling Expenses of Directors and Manager.
- Total.

II. *Debenture Charges.*—This account is charged with commission on debenture stock, cost of debenture stamps, &c. The debit is cleared half-yearly by a

(a) See Note, page 358.

transfer to Debenture or Debenture Stock Interest Account.

III. *Rates and Taxes.*

IV. *Law and Parliamentary Expenses*, for the Revenue charges under this head.

V. *Bankers' and General Interest Account*, do. do. do.

389. Classification of Hotels Expenditure (a).—This book contains a classification of the salaries, wages, and accounts paid in respect of the working of the Company's Hotels and Refreshment Rooms.

Note.—An Hotel and Refreshment Room Stock account is kept in the Ledger. This is adjusted to the actual stock, and Hotels expenditure debited or credited with any decrease or increase therein at the close of each half-year.

The "Classification" books are written up from the vouchers, general summaries of wages and salaries, statements of stores issued, materials used, &c., as per Journal.

The entries are made in consecutive order of voucher numbers, the cheque reference, name, particulars, and date of account, being given with each entry. A reference to the classification entries is also made on the vouchers and other documents at the time of entering. Vouchers chargeable to several accounts are docketed accordingly.

390. At the end of each month the classification entries are added up, and the aggregate totals of the accounts are balanced with the totals of the same month's debit entries in the "Expenditure (Suspense) Account" of the Ledger. The latter account is then cleared and the proper accounts charged by journal entries as on opposite page:—

(a) See Note, page 358.

JOURNAL.

June 30, 19 .

Sundries Dr. to Expenditure (Suspense) A/c. (W) ..		£	£
Main Line Capital A/c., for expenditure entered Way and Works			600
Classification ... folio 3		35	
Branch do. do. do. ,, 286		140	
Sidings, &c., for Sundry Parties do. do. ,, 402		15	
Maintenance, &c., of Way do. do. ,, 419		285	
Compensation do. do. ,, 500		5	
Rents do. do. ,, 508		10	
Permanent Way Stock A/c. do. do. ,, 600		75	
Signal Stock A/c. do. do. ,, 610		20	
Telegraph Stock A/c. do. do. ,, 620		15	
<hr/>			
Sundries Dr. to Expenditure (Suspense) A/c. (L. & S.)			420
Locomotive Power for expenditure entered Locomotive, &c.,			
Classification ... folio 50		284	
Repairs, &c., of Carriages and Wagons, } ditto ,, 320		136	
Working Stock, &c. }			
<hr/>			
Sundries Dr. to Expenditure (Suspense) A/c. (T.) ...			680
Traffic Expenses for expenditure entered Traffic Classification			
folio 75		360	
Compensation, Government Duty, } ditto ditto ,, 400		320	
&c., &c. }			
<hr/>			
Sundries Dr. to Expenditure (Suspense) A/c. (H.) ...			75
Palace Hotel, for expenditure entered Hotels Classification ... folio 10		25	
Royal Terminus Hotel, ditto ditto ,, 60		50	
<hr/>			
Sundries Dr. to Expenditure (Suspense) A/c. (F.) ...			215
General Charges for expenditure entered Finance Classification			
folio 50		115	
Rates and Taxes, &c., &c. ditto ditto ,, 75		100	

The vouchers are afterwards tied up in bundles, and when audited, securely fastened in guard books in proper numerical order for future reference. Separate guard books are used for the accounts drawn on each Bank.

The subdivision of the monthly expenditure under each account may be copied from the "Classification Books" into the Ledger, monthly or at the close of the half-year, as most convenient.

391. Capital Expenditure.—In addition to the record of capital expenditure made in the Way and Works Classification book under the heads enumerated, a book is also kept in which to classify the outlay under the head of *each separate work*; and while in this book (as in the Way and Works Classification) the expenditure on each branch is kept distinct, the items are subdivided so as to shew also the cost of each new station, siding, or other work sanctioned by the Directors.

At the end of each half-year the totals of the two books are agreed, and a tabulated statement of the details of the half-year's capital outlay made up for publication with the other accounts. (See Table 5 of "Published accounts" farther on.)

An abstract giving particulars of the works, large and small, and expenditure authorised on capital account, and the amount of the payments on each work is laid before the Directors by the Accountant monthly. This abstract thus exhibits the progress of works, and affords a convenient means of comparison between outlays sanctioned and incurred.

392. Capital Liabilities Ledger.—This book is designed to shew (1) the amount of the Company's estimated liabilities on capital account in respect of each branch, work, or outlay, sanctioned by Parliament and the Directors; and (2) the amount of the Assets, *i.e.*, unexpended capital and capital powers not exercised, to meet such outlay.

The total expenditure *sanctioned* is passed through a Capital Liabilities Journal to the debit of the "Capital Liabilities" account in the Ledger, and credited in detail to the various branches or works in respect of which the outlay was allowed.

The "Capital Liabilities" account is then made *creditor*, and the respective works are made *debtors* for the *expenditure*.

On the other hand, the total moneys authorised by Parliament to be raised to meet capital outlay are passed to the credit of the "Assets" account, and to the debit of the "Share Powers" or "Debenture Powers" accounts, in the proportions fixed by the Acts; the Assets account being made *debtor*, and Share or Debenture Powers *creditors* for the *receipts* on capital account.

These entries are passed through the Capital Liabilities Journal and posted up half-yearly, when balance sheets of Capital Liabilities and Assets are prepared and summaries thereof given in the published accounts of the Company. (See Tables 7 and 8 in the half-yearly "Statement of Accounts" farther on.)

The estimates are carefully revised once a year, and detailed statements of the results laid before the Directors; further capital powers being, if necessary, sought from Parliament, to enable the Company to complete works in progress, construct new lines, &c.

393. Accounts for Collection by the Secretary.—After these have been checked, entered in a Day Book, and certified by or for the Accountant, they are sent out to the public by his department. The entries in the Day Book are balanced with the totals of a "Secretary's Collection" column in the Expenditure Credit books received from the Stores and other departments (118, 124, 130, 312, &c.), and the items are afterwards posted to the debtors' accounts in the Secretary's Collection Ledgers. A copy of the Day Book entries is furnished to the Secretary as previously explained, and the monthly totals of the respective Expenditure Credit Books are passed through the Journals to the *debit* of one account called "Secretary's Collection," and in

the General Ledgers to the *credit* of the capital or revenue accounts affected.

The cash credits are posted into the Secretary's Collection Ledgers direct from the Travelling Cash Book, and the balances owing to the Company are summarised and balanced half-yearly with the account in the General Ledger.

Credits for allowances, &c., are entered in the lists and Day Book in red ink, and journalised separately; or charges may be withdrawn or reduced on the authority of a letter from the General Manager, or the department which made the charge.

Schedules of bad debts in this account are submitted to the Directors before being written off, as previously explained.

Having now dealt with **Expenditure**, we will next touch upon **Revenue**.

The Coaching, Goods, and Mineral Revenue books and Balance Sheets are journalised monthly, as follows:—

394. Coaching Revenue Book, described on page 227.

The Coaching Outstandings account is **Dr.** for the gross revenue entered in the station returns; the Railway Clearing House and foreign Railway Companies are **Drs.** for the amounts due from them in respect of through traffic; and "Coaching Traffic Receipts," *i.e.*, the Passengers, Parcels, &c., Revenue account, is **Cr.** for the total of the foregoing items.

On the other hand, the Coaching Revenue account is **Dr.**, and the Railway Clearing House, foreign Railway Companies, Agents, &c., are **Crs.** for amounts due to them in settlement of through traffic, commission on special trains, &c.

395. Coaching Revenue Balance Sheet, described on page 317.

The "Special Debits" and "Special Credits" herein are the only items necessary to be dealt with by the Book-keeper.

The former are carried to the debit of "Coaching Outstandings," and to the credit of the Hotels, &c., accounts, for

cash paid to Bank, and to the credit of other Railway Companies for coaching cash received on their account.

The latter are carried to the credit of "Coaching Outstandings," and to the debit of (1) Coaching Revenue, for returned fares, parcel refunds, &c., (2) other Companies, for coaching cash collected by them, and (3) Secretary's collection for soldiers' warrants, &c.

Note.—The coaching cash paid to Bank by the stations and Secretary is credited to "Coaching Outstandings" by the Book-keeper through the general Banking accounts described farther on. As this cash credit is agreed, monthly, with the corresponding credit in the Coaching Revenue Balance Sheet, it follows that after the foregoing entries have been posted and proper provision made for "Cash in transit" (*i.e.*, Cash remitted by stations for the last days of the month, but which does not get credited by the Banks until the first or second of the following month), the balance at the debit of the Coaching Outstandings account in the General Ledger should correspond with that shewn by the Coaching Revenue Balance Sheet as due from the stations.

This note applies also to the "Goods" and "Mineral" Outstanding accounts.

396. Goods Revenue Book, described on page 276.

In the case of Goods and Mineral traffic, the Gross Revenue and charges thereon for allowances, paid ons, recharges, &c., as ascertained from the Goods and Mineral Revenue Balance Sheets; therefore the only figures in the Goods and Mineral Revenue Books to be dealt with by the Book-keeper are the balances shewn by them as due from and to the Railway Clearing House, foreign Railway and Steamboat Companies, &c.,

in settlement of foreign traffic, and for mileage and demurrage of working stock. These balances are carried to the *credit* of the Goods and Cattle Revenue, and Carriage and Wagon Hire accounts, and to the *debit* of the various Railway or Personal accounts, or *vice versa*, as the cases may require.

397. Goods Revenue Balance Sheet, described on page 345.

All the *debts* in this statement are debits to the "Goods Outstandings" account in the Ledger, and credits to the Goods Revenue, Revenue expenditure (for cartages, &c.), and the several Railway, Agents', and other accounts indicated.

The *credits* (except cash, as to which see note to 395), as shewn by the Balance Sheet, are likewise treated as credits to "Goods Outstandings," and debits to Revenue and the various Railway and other accounts indicated.

398. Mineral Revenue Book, described on page 306.

The items due in settlement of through traffic as shewn by this book, are carried to the *credit* of the Railway Companies concerned, and to the *debit* of the Mineral Revenue account, or *vice versa*, as may be necessary.

399. Mineral Revenue Balance Sheet, described on page 353.

The various debits for tolls, &c., are passed through the Journal to the debit of "Mineral Outstandings," and to the credit of Mineral Revenue and sundry Personal accounts in the Ledger.

The credits (again excepting cash) are, moreover, credited to "Outstandings," and debited to the accounts to which they refer.

A "Mineral Allowance Suspense" account in the Ledger is credited through these entries for allowances provided for by deductions from Revenue, and is debited for allowances actually

made during each month, and the balance of this account should always agree with the Ledger office record of mineral allowance vouchers outstanding for traders' signatures.

400. General Banking Accounts.—It has been shewn that the Accountant does not handle the cash, and, therefore, it is not necessary for his department to keep a General Cash Book. He deals, however, with the Company's *Banking* accounts, and all the transactions, both as regards receipts and payments, are recorded in the Book-keeper's office. For this purpose, and for the regulation of the finances, the Bankers' Pass Books are made up every week and together with the paid cheques, debentures paid off, dividend and interest warrants cashed, &c., sent to the Accountant.

We will first deal with the

401. Bankers' Receipts.—The book used for recording the transactions is ruled as shewn on the following page.

A separate account is opened for each Bank, and the Bank entries are written up from the Companies' *credit* side of the Pass Books. The monthly total of this column is balanced with the Pass Books, and the particulars of the items are obtained—(a) from the Stations' Cash Book, (b) the Secretary's travelling Cash Book, and (c) the Secretary's monthly list of Bills paid to Bank; the items being extended to the several columns to which they appertain. Thus all amounts for the credit of the Coaching, Goods, and Mineral Outstanding accounts in the Ledger are extended to columns Nos. 1, 2, and 3, respectively, and the monthly totals of these columns are balanced with the cash entered on the credit side of the Coaching, Goods, and Mineral Revenue Balance Sheets previously alluded to. Cash received for the credit of "Secretary's Collection," and items to be credited to the personal accounts of Railway Companies, Agents, and others, are entered in columns Nos. 4, 5, and 8.

BANKERS' RECEIPTS.

BANK, DR.

Bank Entry.			CLASSIFICATION OF ACCOUNTS TO CREDIT.															
Date.	Name.	Amount	Particulars.	Receipts on Traffic.			Secretary's Collection.	Railway Co.'s and Agents.	Secretary's Bill A/c.	Expenditure Credits.	Personal A/cs.	Debenture Loans.	Debenture Stock.	Receipts.		Interest.	Rent Collection.	Transfers.
				C.	G.	M.								£ Shares	£ Shares.			
		£ s. d.		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.

Bills paid to Bank by the Secretary are credited to the Secretary's Bill account through column No. 6, the total of which is balanced with the Secretary's lists. Column No. 7 is for items such as unpaid wages, &c., returned to Secretary, paid into Bank for the credit of Capital or Revenue expenditure accounts. Receipts on Capital account for the credit of the Debenture account, Debenture Stock account, or Share account, are extended to columns Nos. 9, 10, 11, and 12, respectively. The receipts on shares are balanced monthly, with the Secretary's Day Books of Calls received; and half-yearly, with the Secretary's Stock and Share Registers. Interest received on calls in arrear, Bankers' balances, &c., is entered in column No. 13. All items for the credit of the Secretary's Rent Collection account are carried to the 14th column, and Cash Transfers from other Banks are entered in column No. 15.

In addition to the Banking accounts, one called "*Secretary's Bill Account*," is kept in this book of all bills received by the Secretary, and held by him till maturity. This is treated similarly to a Bankers' account, and is written up from the lists of bills, and cheques requiring endorsement, &c., as entered in the Travelling Cash Book. The items are extended, in the classification columns, to the credit of the Goods or Mineral Outstanding accounts, as the case may require.

When new acceptances or cheques are received to replace those dishonoured or returned, they are credited to a "Dishonoured Bill" account through column No. 8.

The totals having been ruled off and balanced with the Bank entries at the end of each month, a classified summary is made of the items comprised in columns Nos. 5, 7, and 8, shewing the accounts in the General Ledgers which require credit, and the month's receipts under each head are journalised as follows:—

Bank Dr. to Sundries.

To Coaching Outstandings	}	For Receipts during the month, entered in Bankers' Receipts book, folio.....
„ Goods Outstandings		
„ Secretary's Collection		
„ X.....Railway Company		
„ Secretary's Bill Account		
„ Debenture Stock Capital A/c.		
„ Stock and Share Capital A/c.		
&c., &c.		

Secretary's Bill Account Dr. to Sundries.

To Goods Outstandings	}	For receipts during the month, entered in Bankers' Receipts book, folio.....
„ Mineral Outstandings		
„ Dishonoured Bills, &c., &c.		

It should be borne in mind that in journalising the entries in this book, transfers from other Banks, as per column No. 15, are deducted from the total of the Bank receipts, and that the net amount only (as regards both the debits and credits) is dealt with. The reason for this is that the only necessary book-keeping entries of amounts transferred are made through the book recording Bankers' payments; the transferring Banks being credited, and the Banks to whom the transfers are made being debited through that book alone.

402. Bankers' Payments.—These are written up from the Company's debit side of the Pass Books. A separate account is opened for each Bank, as in the case of receipts, and the entries are made as indicated by the headings :—

BANKERS' PAYMENTS _____ BANK CR.

BANK ENTRY.		PARTICULARS.	CLASSIFICATION OF ACCOUNTS TO DEBIT.					
Date.	Amount.		Debentures paid off.	Debenture Interest paid.	Dividends paid.	Bank Charges.	Transfers, Dishonoured Bills, &c.	Cheques paid.
			£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.

As separate detailed records of cheques, debenture interest, and dividends paid are kept, the daily totals only need be entered, except in the case of debentures paid off, Bank charges, and sundries, when the number and amount of each debenture, and the particulars of each item should be given.

In the column for transfers, &c., are entered amounts transferred to other Banks on the orders of the Finance Committee, bills dishonoured, &c.

The entries are totalled, balanced across and with the Pass Books, monthly, as in the case of Bankers' receipts.

The details of debenture interest and dividend warrants paid are entered by the Bankers in separate Pass Books, the daily totals only of which are carried to the general account. These are compared and balanced monthly.

After debentures paid off have been cancelled by the Finance Committee, they are endorsed and tied up in the order of the entries in the "Bankers' Payments," for examination by the Auditors of the Company.

The payments are journalised monthly, the Banks being **Cr.** for the total amount of the payments, and various accounts **Drs.** for the classified items comprised therein. Thus the Debenture Capital account is **Dr.** for debentures paid off; the Debenture Interest and Dividends Payable and Outstanding accounts, are respectively **Dr.** for interest and dividend warrants paid; the Interest (Revenue) account is **Dr.** for Bank charges, &c.; other Banks are **Drs.** for transfers; the Dishonoured Bill account is **Dr.** for bills dishonoured and returned to the Secretary; and the Cheques Drawing account is **Dr.** for cheques paid.

The following is a brief recapitulation of the ordinary weekly and monthly entries in the journal to which reference has been made:—

403. JOURNALISED WEEKLY.

I. FROM TRADESMEN'S ACCOUNTS—

Expenditure (Suspense) Account	} Dr. to Wages and Sundry Tradesmen.
For Wages and Accounts passed for payment.	

II. CHEQUES JOURNAL—

Sundry Tradesmen and Personal Accounts ...	} Dr. to Drawing Account.
For Cheques drawn.	

III. STORES ISSUES—

Expenditure (Suspense) Account	} Dr. to General Stores Stock Account.
For Coal and Coke, Materials, and General Stores issued by the Stores to the Consuming Departments.	

IV. COAL ISSUES—

Expenditure (Suspense) Account	} Dr. to Coal and Coke Stock Account.
For Coal used out of Stock.	

404. JOURNALISED MONTHLY.

V. PERMANENT WAY MATERIALS USED—

Expenditure (Suspense) Account	} Dr. to Permanent Way Stock Account.
For Materials used out of Stock.	

VI. P.W. MATERIALS PRODUCED—

Expenditure (Suspense) Account	} Dr. to Capital or Revenue Accounts.
For Materials taken up and put into Stock.	

VII. P.W. MATERIALS SENT TO STORES—

Expenditure (Suspense) Account	} Dr. to Revenue, and the Permanent Way, &c., Stock Accounts.
For Materials, &c., returned to the Stores Department.	

NOTE.—The Signal and Telegraph Departments Stock is dealt with in a similar way.

VIII. TRANSFERS FROM EXPENDITURE SUSPENSE ACCOUNT,
which is cleared each Month—

Sundry Capital, Revenue, and Stock Accounts	}	Dr. to Expenditure (Suspense) Account.
---	---	--

For Expenditure during the Month.

IX. EXPENDITURE CREDITS BOOKS—

Secretary's Collection, and Railway Company's Accounts.....	}	Dr. to Capital, Revenue, &c., Accounts.
---	---	---

For Accounts for Collection.

X. COACHING REVENUE BOOK—

(a) Coaching Outstandings, Railway Companies, &c.....	}	Dr. to Coaching Revenue.
---	---	--------------------------

For the Month's Gross Revenue from Passengers, Parcels, &c., and proportion of Receipts from foreign Traffic, &c.

(b) Coaching Revenue.....	}	Dr. to Railway Companies, Clearing House, &c.
---------------------------	---	---

For foreign Companies' proportion of through Traffic.

XI. COACHING REVENUE BALANCE SHEET—

(a) Coaching Outstandings...	}	Dr. to Sundry Accounts For Hotel and Refreshment Room Receipts and other Special Debits.
------------------------------	---	--

(b) Coaching Revenue and Sundry Accounts	}	Dr. to Coaching Outstandings. For Returned Fares, Refunds, and other Special Credits.
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XII. GOODS REVENUE BOOK—

(a) Railway Companies, Clearing House, &c.	}	Dr. to Goods and Cattle Revenue; and to Carriage and Wagon Hire.
--	---	--

For proportion of Receipts from foreign Traffic and Mileage and Demurrage of Stock.

(b) Goods and Cattle Revenue and Carriage and Wagon Hire	}	Dr. to Railway Companies, Clearing House, &c.
--	---	---

For foreign Companies' proportions, &c., of through Traffic, and Mileage and Demurrage of Stock.

XIII. GOODS REVENUE BALANCE SHEET—

- (a) Goods Outstandings ... { Dr. to Goods Revenue, Railway Companies' Agents, &c.

For the Gross Revenue from Goods and Cattle Traffic, amounts due to foreign Railway Companies and Agents for Paid-ons, Cartages, &c., &c.

- (b) Goods Revenue, Railway Companies' Agents, &c..... } Dr. to Goods Outstandings.

For charges on Revenue, and amounts due from foreign Railway Companies, Agents, &c., for Paid-ons, Cartages, &c., &c.

XIV. MINERAL REVENUE BOOK—

- (a) Railway Companies &c... Dr. to Mineral Revenue.

For proportion of Receipts from foreign Traffic, &c.

- (b) Mineral Revenue..... Dr. to Railway Companies, &c.

For foreign Companies' proportion of through Traffic, &c.

XV. MINERAL REVENUE BALANCE SHEET—

- (a) Mineral Outstandings { Dr. to Mineral Revenue, Railway Companies, &c.

For the Gross Revenue from Mineral Traffic, and amounts due to foreign Companies for Allowances, &c.

- (b) Mineral Revenue, Railway Companies, &c.... } Dr. to Mineral Outstandings.

For Drawbacks, &c., and amounts due from foreign Companies for carriage of Coal, &c., &c.

XVI. BANKERS' RECEIPTS—

- (a) Bankers { Dr. to Traffic Outstanding Accounts, Secretary's Collection and Bill Accounts, Railway Accounts, Share and Debenture Capital Accounts, &c., &c.

For Receipts during the Month.

- (b) Secretary's Bill Account } Dr. to Traffic Outstanding Accounts, &c.

For Bills, &c., received by the Secretary during the Month.

XVII. BANKERS' PAYMENTS—

Drawing Account, Divi-	} Dr. to Bankers.
dends and Interest	
Payable, &c.	

For Warrants and Cheques cashed, and other payments by Bankers during the Month.

These entries are posted into the Ledgers monthly, and embrace all the ordinary accounts of Income and Expenditure.

405. Half-Yearly Accounts.—More serious work commences with the "Winding-up," or "Stock-taking" operations, which take place at the close of each half-year.

All outstanding liabilities have then to be ascertained or estimated, and lists of unpaid tradesmen's accounts, &c., prepared, classified, and properly charged under the various heads of expenditure. Provision has also to be made for rents and services at joint stations; rents of leased lines; rents receivable from tenants of houses, land, &c.; earnings and expenses of working joint lines; uncleared foreign traffic; traffic drawbacks, tolls, &c.; interest and dividends on investments, temporary loans, debentures, pre-preference stocks, &c.

The Stock, Share, and Loan Capital accounts—Capital and Revenue expenditure—General Stores and other Stock accounts—Banking, Temporary Loans, Secretary's Collection, Secretary's Bills Receivable, Rent Collection, and Drawing accounts—Coaching, Goods, and Mineral Traffic Outstandings—Dividends Payable and Outstanding—these and other accounts have also to be balanced, and the necessary adjustments made.

In connection with these and other matters incidentally referred to in the preceding pages, special journal entries, too numerous for mention in detail, and embodying in most instances the results of much careful research, calculation, and judgment,

have to be drafted by the Accountant and Book-keeper, and passed to the proper accounts in the subsidiary books and Ledgers.

The only matters to which specific reference need be made are the following:—

406. Liabilities.—Lists of tradesmen's accounts, wages, and estimated charges not paid within the half-year in which they were incurred, are made in a book for this purpose, which is totalled and ruled off when all have been entered. These particulars are obtained from the accounts passed or to be passed for payment, and from supplemental advices of further liabilities and estimates furnished by the departments.

The items are then classified and passed through the Expenditure (Suspense) account, Classification books, and Journals, to the debit of the various accounts chargeable therewith, and to the credit of a Suspense account called "Revenue Liabilities." The balance of the latter account is cleared in the half-year following that to which it relates by a reversal of the charges, the latter being *recharged* in the ordinary way when the actual figures have been ascertained, and cheques drawn.

407. Expenditure Classification Books.—All special and miscellaneous debits and credits to expenditure from various sources which have been posted direct to the respective accounts in the General Ledgers, are entered from the documents authorising the same, or from the Banking, Revenue, and Expenditure Credit Books, on the debit or credit side of the corresponding accounts in the Classification Books. The credits (which are all entered in one column) are then analysed and deducted from the proper debit columns, and the gross and net totals of the half-year's expenditure under each head compared and agreed with those in the Ledger.

408. Drawing Account.—All cheques drawn on and paid by each Bank are registered in a Drawing Account Book

weekly. The dates, numbers, and amounts of the cheques drawn are copied from the Secretary's Remittance Book, and the dates and amounts of those paid are marked off from the Bank Pass Books, in which the *numbers* of the cheques, and *not* the names, are entered by the Bankers to facilitate reference.

The "Outstandings," or cheques not presented, are balanced (1) *weekly*, with the Financial Statements made up by the Book-keeper, and (2) *half-yearly*, 'by comparing with the Ledger the totals of the outstandings, which are then brought forward in detail in the register.

409. Balancing.—After the closing entries above referred to have been made, the half-yearly general balance is struck in the following way:—

The General Ledgers are added up throughout, the debit or credit balances of the accounts being, in the first instance, inserted in pencil. The balances are then taken down on loose sheets, the names of the accounts and Ledger folios having been previously written in to facilitate the operation. When this is complete, and the sheets added up, the correctness or otherwise of the whole of the work is ascertained by comparing the sum of the *debit* balances with the sum of the *credit* balances, which should of course agree.

Considering the enormous number of items that have to be passed through the Journals into the General Ledgers in the course of a half-year, and the magnitude of the operations, it would not be surprising if considerable trouble were experienced in attaining the desired result.

Yet, the completeness of the system described, and efficiency of the arrangements, are demonstrated by the fact that in at least one well-managed office known to the Author, it is usual in no fewer than five out of six successive half-years, and although the balances amount to nearly one

hundred and eighty millions sterling, to strike an *exact* agreement of debits and credits on *first trial*! Very rare indeed are the occasions when in that office the satisfactory announcement, "balanced," is not made within a quarter of an hour of the time the trial balance is got out, thus establishing with promptness and exactitude, at a time when celerity is most desired, the accuracy, not only of the figures upon which the Dividend announcements are made public, but also of the entire statement of the Liabilities and Assets of the Company.

This result is obtained, firstly, by the wholesome practice of relieving the Journals and General Ledgers of unnecessary detail by the use of subsidiary books; and, secondly, by the constant exercise of care, and the observance of simple but important rules in making the Journal entries, and in posting the items therefrom into the Ledgers.

The balances, grouped according to the order in which they are published, are then copied into a book for this purpose, and the various Traffic, Revenue expenditure, and Interest accounts in the Real Account Ledger are closed by transferring the balances thereof to the General Revenue or Profit and Loss account, which is thus made to indicate the *Net amount available for Dividend*. The balances of the Capital, Stock, and Personal accounts are brought down to commence a new half-year.

410. The Accounts and Balance Sheet are then printed in the form prescribed by Act of Parliament, as on the following pages; and, after being certified by the Accountant and Auditors, passed by the Directors, and signed by the Chairman of the Company, are issued, together with the Directors' Report, to the Shareholders.

The numbers inserted in parentheses () in the tabulated statements are the subject references under which the origin of the entries may be traced.

411. Dividends.—The amount required to pay the

dividends declared by the Shareholders at their ordinary yearly meetings, is transferred from the Revenue account to the credit of "Dividends Payable"; the latter account being debited, monthly, with the amount of warrants cashed by the Bankers as previously explained.

Lists, shewing numbers and amounts only, of all dividend and interest warrants issued by the Secretary are kept in the Book-keeper's office. The entries in these lists are marked off as the warrants are paid, with the date and initial letter of the paying Banks; and statements of the warrants outstanding are prepared, and balanced half-yearly, with the Dividend and Interest Payable accounts in the Ledger.

Income Tax deducted from dividends, &c., is paid, under the annual assessment of profits, to the Income Tax Commissioners.

STATEMENT OF ACCOUNTS FOR HALF-YEAR ENDING
JUNE 30TH, 19—.

Table No. 1. CAPITAL AUTHORISED AND CREATED.

(See New Forms 1 (a), 1 (b), and 1 (c), pages 500, 501.)

Acts of Parliament.	Capital Authorised.			Created or Sanctioned.			Balance.		
	Stock and Shares.	Loans.	Total.	Stock and Shares.	Loans.	Total.	Stock and Shares.	Loans.	Total.
	£	£	£	£	£	£	£	£	£
Main Line. . Act 1880	300,000	100,000	400,000	300,000	100,000	400,000			
New Branches, Act 1886	150,000	50,000	200,000	150,000	50,000	200,000			
Additional Powers, Act 19—	50,000	16,667	66,667	50,000	16,667	66,667			
Additional Powers, Act 19—	100,000	33,333	133,333				100,000	33,333	133,333
(See 392).	£ 600,000	200,000	800,000	500,000	166,667	666,667	100,000	33,333	133,333

Table No. 2. STOCK AND SHARE CAPITAL CREATED.

(See New Form No. 2, page 502.)

Description of Stock.	Amount Created.	Amount Received.		Calls in Arrear.	Amount Uncalled.	Amount Unissued.
		Called Up.	In Advance.			
	£	£	£	£	£	£
Four per Cent. Rent Charge Stock	50,000	50,000				
Four per Cent. Guaranteed Preferential Stock	50,000	50,000				
Four per Cent. Preference Share	100,000	98,500		1,500		
Consolidated Ordinary Stock	300,000	300,000				
(See 392).	£ 500,000	498,500		1,500		

Table No. 3. CAPITAL RAISED BY LOANS AND DEBENTURE STOCK.

(See New Form No. 3, page 503.)

	Raised by Loans.			Debenture Stock.			Total Loans and Debenture Stock.
	At 3½ per cent.	At 3 per cent.	Total.	At 4 per cent.	At 3½ per cent.	Total.	
	£	£	£	£	£	£	
Existing at December 31, 1889	10,000	5,000	15,000	75,000	20,000	95,000	110,000
Existing at June 30, 1890.....	9,000	10,000	19,000	90,000	25,000	115,000	134,000
Increase		5,000	4,000	15,000	5,000	20,000	24,000
Decrease	1,000						

Total amount authorised to be raised by Loans and Debenture Stock in respect of Capital created as per Table No. 1 £ 166,667

Total amount raised by Loans and Debenture Stock as above £ 134,000

Balance, being available Borrowing Powers at June 30th, 19—..... £ 32,667
(See 392).

DR. Table No. 4. RECEIPTS AND EXPENDITURE ON CAPITAL ACCOUNT. CR.

(See Revised Forms Nos. 4 and 4 (a), pages 504 to 506.)

	Expended to Dec. 31, 19—.	Expended during Half-year June 30, 19—	Total.		Received to Dec. 31, 19—.	Received during Half-year, June 30, 19—	Total.
To Expenditure :—	£	£	£	By Receipts :—	£	£	£
On Lines open for Traffic	438,500	15,000	453,500	On Stock and Shares per Table No. 2	423,500	75,000	498,500
On Lines in course of construction	15,000	65,000	80,000	On Loans per Table No. 3	15,000	4,000	19,000
On Working Stock....	70,000	10,000	80,000	On Debenture Stock, do.	95,000	20,000	115,000
	£ 523,500	90,000	613,500	On Premiums on Stocks and Shares sold	5,000	1,000	6,000
To Balance.....			25,000				
(See 378-386).			£ 638,500	(See 401-2).	£ 538,500	100,000	638,500

Table No. 5. DETAILS OF CAPITAL EXPENDITURE FOR HALF-YEAR ENDING
June 30th, 19—.

(See Revised Form No. 5, page 506.)

	Land and Compensation.	Construction of Way and Stations.	Law and Parliamentary Charges.	TOTAL.
	£	£	£	£
Lines open for Traffic :—				
.....Additional Sidings	1,500	3,000	50	4,550
.....Branch	2,000	5,000	100	7,100
And so on.	500	2,825	25	3,350
£	4,000	10,825	175	15,000
Lines in course of Construction :—				
.....Branch	3,000	41,800	200	45,000
.....Branch	15,000	4,000	1,000	20,000
(See 385 and 391).	£	18,000	1,200	65,000
Working Stock (particulars are given here, See 386)	£			10,000
Total Expenditure during the half-year, as per Table No. 4	£			90,000

Table No. 6. RETURN OF WORKING STOCK.

(See New Returns of Working Stock, &c., &c. (pages 526 to 528).)

	Loco- motive		Coaching.					Merchandise and Minerals.					Horses and Carting Stock.	
	Engines.	Tenders.	First Class.	Second Class	Third Class.	Brake Vans.	Total.	Goods Wagons.	Coal and Coke Trucks.	Cattle Trucks.	Brake Vans.	Total.	Horses.	Drays and Carts.
Stock, Dec. 31, 19—	20	18					45					460	35	28
Stock, June 30, 19—	23	20					50					500	40	30
Increase	3	2					5					40	5	2
Decrease														

(See 125).

Table No. 7. ESTIMATE OF FURTHER EXPENDITURE ON CAPITAL ACCOUNT.

(See Revised Form No. 6, page 507.)

	FURTHER EXPENDITURE.		
	During the Half-year Dec. 31st, 19—	In Subsequent Half-years.	Total.
	£	£	£
Lines open for Traffic (including Working Stock)	20,000	10,000	30,000
Lines in Course of Construction do.	30,000	20,000	50,000
Subscriptions to other Railways, and Contributions to Joint Lines (including Working Stock)		3,000	3,000
Lines not Commenced do.	50,000	59,500	109,500
(See 392).	£ 100,000	92,500	192,500

Table No. 8. CAPITAL POWERS AND OTHER ASSETS AVAILABLE TO MEET
FURTHER EXPENDITURE, AS PER TABLE NO. 7.

(No alteration is made in this Form.)

	£	£
Share and Loan Capital authorised, but not created nor sanctioned (Table No. 1)		133,333
Stock and Share Capital created, but not received (Table No. 2) <i>viz.</i> :—		
Calls in arrear	1,500	
Amount uncalled		
Amount unissued		1,500
Loans and Debenture Stock—Balance of available Borrowing Powers (Table No. 3)		32,667
Capital Account—Balance at Credit * thereof (Table No. 4).. .. .		167,500
(See 392).	TOTAL £	192,500

* If Capital Account is in debit, this is deducted.

Table No. 9.

DR.		REVENUE ACCOUNT.				CR.	
(See New Forms Nos. 8, 9 (a), and 10, pages 508 to 511.)							
Expenditure.	June 30, 19—.	June 30, 19—.	Receipts.		June 30, 19—.		June 30, 19—.
	£	£			£	£	£
To Maintenance of Way, Works, and Stations (Abstract A)	3,500		By Passenger Traffic: No. of Passengers.				
„ Locomotive Power (do. B)	5,000			1890. 1889.			
„ Carriage and Wagon Repairs.....(do. C)	1,500		1st Class		2,000		
„ Traffic Expenses ....(do. D)	6,500		2nd Class.....		1,000		
„ General Charges ....(do. E)	700		3rd Class		6,000		
„ Law Charges	150		Season		1,000		
„ Parliamentary Expenses....	200				10,000		
„ Compensation—Personal Injury....	..		By Parcels, Horses, Car- riages, &c.		1,500		
„ „ Goods.....	100		„ Mails		500		
„ Rates and Taxes	700			£	£ 12,000		
„ Government Duty.....	150		„ Merchandise	15,500			
„ Carriage and Wagon Hire..	500		„ Less Cartages ..	1,760			
	£ 19,000	17,500			13,740		
„ Balance carried to Net Revenue Account	18,000	16,500	„ Live Stock Traffic		1,000		
			„ Mineral Traffic		10,000	24,740	
					£ 36,740		
			„ Rents		250		
			„ Transfer Fees		10		
(See 378-388).	£ 37,000	34,000	(See 394-9).		£ 37,000	34,000	

Table No. 10.

DR.		NET REVENUE ACCOUNT.		CR.	
(See New Forms Nos. 8, 9 (a), and 10, pages 508 to 511.)					
	June 30, 19—.	June 30, 19—.		June 30, 19—.	June 30, 19—.
	£	£		£	£
To Interest on Debenture Loans	300	250	By Balance from last half-year	1,500	1,400
„ Interest on Debenture Stock	2,200	1,750	„ Balance from Revenue A/c (Table No. 9)	18,000	16,500
„ Rent of Leased Lines, &c., viz. :—			„ Dividends on Shares in other Companies	100	100
—————Railway Rental	1,000	1,000	„ Bankers' and General In- terest	100	70
„ Four per Cent. Rent Charge Stock	1,000	1,000			
„ Balance available for Divi- dend	15,200	14,070			
(See 405).	£ 19,700	18,070		£ 19,700	18,070

Table No. 11. PROPOSED APPROPRIATION OF BALANCE AVAILABLE FOR DIVIDEND.

(See New Forms Nos. 8, 9, 9 (a), and 10, pages 508 to 511.)

	June 30, 19—		June 30. 19—.
	£	£	£
Balance available for Dividend as per Table No. 10		15,200	14,070
Four per Cent. Guaranteed Preferential Stock £ 50,000 @ 4 % per annum.	1,000		1,000
£10 Four per Cent. Preference Shares 100,000 do.	1,450		500
	2,450		
Consolidated Ordinary Stock 300,000 @ 8 % per annum	12,000	14,450	12,000
(See 411).	Balance to next Half-year..... £	750	570

Table No. 12. [This contains Abstracts A, B, C, D, and E, of Revenue Expenditure in the Way and Works, Locomotive, Carriage and Wagon, and Traffic Departments, and General Charges as per Revenue Account No. 9 and particulars given in the Classifications of Expenditure. See subject references 385 to 388].

(See Revised Abstracts A to J, pages 512 to 517.)

SEE NEW FORMS 11 to 18, PAGES 518 to 522.

DR. Table No. 13. GENERAL BALANCE SHEET, 30TH JUNE, 19—. CR.

(See Revised Form No. 18, page 522.)

	£		£
To Capital Account, Balance at Credit thereof, as per Table No. 4	25,000	By Cash at Bankers	9,550
" Net Revenue Account, Balance at Credit thereof, as per Table No. 10	15,200	" Cash on Deposit at Interest	28,000
" Unpaid Dividends and Interest ..	500	" Cash invested in Shares of other Railway Companies not charged as Capital Expenditure.....	5,000
" Interest, and Dividends on Rent Charge Stock, payable or accruing and provided for	3,413	" General Stores, Stock of Materials on hand	6,000
" Debts due to other Companies ..	1,500	" Traffic accounts due to the Company	5,000
" Sundry outstanding accounts	2,437	" Amounts due by other Companies	2,000
" Tradesmen's accounts	4,000	" do. for carriage of Mails ..	200
" Fire Insurance Fund	2,000	" do. by Railway Clearing House.....	300
" Superannuation Fund.....	5,000	" Sundry outstanding accounts....	3,000
(See 405-411).	£ 59,050		£ 59,050

Table No. 14.

MILEAGE STATEMENT.

(See New Forms, pages 523 to 525.)

	Miles authorised.	Miles constructed.	Miles constructing or to be constructed.	Miles worked by Engines.	
				June 19—.	June 19—.
Lines owned by the Company					
Do. partly owned					
Total .. £					
Lines worked					
Foreign Lines worked over					
(See 121.)			Total .. £		

Table No. 15.

STATEMENT OF TRAIN MILEAGE.

(See New Form, page 532.)

	Half-year ending June 30th, 19—.		Half-year ending June 30th, 19—.	
	Including mileage run for other Companies.	Excluding mileage run for other Companies.	Including mileage run for other Companies.	Excluding mileage run for other Companies.
Passenger Trains				
Goods and Mineral Trains				
(See 125.) Total .. £				

(Signed) _____ CHAIRMAN OF THE COMPANY.

_____ ACCOUNTANT OF THE COMPANY.

Here follow the Engineer's Certificates respecting the condition of the Company's property and Working Stock:—

"I hereby certify that the whole of the Company's _____
have during the past half-year been maintained in good working order
and repair (Signed) _____ Engineer."

AUDITORS' CERTIFICATE as prescribed by Act 30 and 31 Victoria, Cap. 127.

We hereby certify that the foregoing Accounts contain a full and true statement of the financial condition of the Company, and that the Dividends proposed to be declared on the Stock and Shares of the Company are *bond fide* due thereon, after charging the Revenue of the Half-year with all expenses which in our judgment ought to be paid thereout.

(Signed _____ } Auditors.
_____ }

APPENDIX.

ADDITIONAL FORMS.

STATION ACCOUNTS OF TRAFFIC—Coaching.....Nos. 1 to 21.

Ditto Goods.....Nos. 22 to 60.

Ditto Minerals.....Nos. 61 to 68.

ACCOUNTANT'S DEPARTMENT—Coaching Audit Office,
Nos. 69 to 76.

Ditto Goods and Mineral Audit Office,
Nos. 77 to 87.

Ditto Station Ledger Office,
Nos. 88 to 90.

RAILWAY COMPANIES (ACCOUNTS AND RETURNS) BILL, 1911.

NEW FORMS OF ACCOUNTS AND STATISTICAL RETURNS.

Note.—The numbers in parentheses (), following the numbers of the Forms in the Appendix, refer to the subject matter.

Form No. 1 (17).

RAILWAY.—ACCOUNT OF TICKETS ISSUED AT _____ STATION, BY SPECIAL TRAIN TO _____ 19____

TO	Days Available for	Class.	Tickets Supplied.	Tickets Returned Unsold		Tickets Sold.			Rate.	AMOUNT.		
				Adults.	Chd'n.	Comm'g No.	Closing No.	1st.	3rd.	First.	Third.	Total.
		First Third								£ s. d.	£ s. d.	£ s. d.
		Total	carried to	Classification								

Arrangements having been made for an Excursion Train as above, you will please give all publicity you can to the announcements at your Station, and have the Bills well posted and distributed.

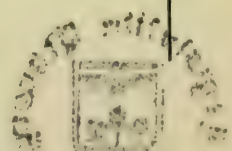
Tickets have been sent as above, and you must return to the Audit Office, this form, properly filled up, and the unsold half-tickets enclosed in an envelope, and pinned to this return, per first train after the running of the Special. The unsold Tickets must be made up in a parcel and sent in your first cash-box, addressed "Unsold Special Tickets, To Passenger Audit Office."

The collected tickets must be sorted in proper order, and sent in a parcel separate from your ordinary ones, addressed "To Passenger Audit Office."

In case the tickets supplied are not sufficient, and there is not time for you to obtain a further supply, you must issue from the back numbers of your ordinary tickets, stamping the word "Return" upon them, charge the special fare, and account for them in this return in same way as if they were special tickets. You must then advise me immediately by letter of their commencing and closing numbers to be reprinted, thus {

Class	First No.	Last No.	Quantity to be Reprinted.
3	889	899	11

ACCOUNTANT.



Form No. 4 (23).

RAILWAY.

STATION. MONTH ENDING 19

Account of Postage Stamps Sold for Forwarded and Received Messages, and for
Porterage of Messages delivered by Special Messenger beyond the boundary.

Date.	Postage Stamps Sold for Messages.						Porterage Paid Out.		
	Forwarded.			Received.					
189	£	s.	d.	£	s.	d.	£	s.	d.
June 1		12	3		2	0		2	0
„ 2	10	5	0		1	0			
„ 3									
„ 4	4	9	8		2	0		3	0
„ 5	6	3	6		3	0			
„ 6	7	4	9					6	
„ 7	5	10	0						
and so on.									
	34	5	2		8	0		5	6

SUMMARY.

	£	s.	d.	£	s.	d.
Sales of Postage Stamps on Forwarded Messages	34	5	2			
Ditto ditto Received ditto... ..		8	0			
				34	13	2
Less Porterages Paid Out				5	6	
Balance Carried to Summary of Monthly Passenger Classification	£	34	7	8		

RAILWAY.

STATION, ON

RETURN OF ALL PORTERAGES PERFORMED BY

COMMERCIAL TELEGRAPHIC MESSAGES,

WHETHER DELIVERED FREE OR OTHERWISE. FOR MONTH ENDING JUNE, 19

No. of Message.	Date.	Name of Sender of Message.	Station from.	Receiver's Name and full Address.	Portage Paid by Sender.	Portage charged to Receiver (if any).	Amount Paid out.	Distance in Miles.	How Sent. (State if by Messenger on foot, on Horseback, or in Cab, and if Co.'s Servant or not.)	Messenger's Receipt for Amount Paid Out.
1	June 1.....	Hall.	York.	W. H. Stansby —		2/-	2/-	4	Special.	A. B.
	" 2.....				1/-	1/-		2	Co.'s Servant.	
	" 2.....							2	Do.	
	" 4.....				1/-	2/-	3/-	6	Special.	A. B.
	" 5.....					3/-		6	Co.'s Servant.	
	" 6.....				-/6		-/6		Train.	G.N. Railway
	" 6.....					nil.		¼	Co.'s Servant.	
	" 6..... and so on.					nil.		¼	Do.	
				TOTAL	2/6	8/-	5/6			

This WAY BILL must be used for Fish, Game, Dead Rabbits, Dead Poultry, Dead Pigeons, Meat, Tripe, Butter, Cheese, Vegetables, Watercress. Eggs, Fruit and Ice, in quantities of 2 cwt. and upwards, also for Milk, &c.

RAILWAY.

Guard's Signature.

MISCELLANEOUS WAY BILL,

From _____ to _____

Route via _____ day of _____ 19____

Departure _____ o'clock Train _____ day of _____ 19____		Consignee.	Destination.	Weight. c. q. lbs.	Rate.	Paid on. £ s. d.	To Pay. £ s. d.	Paid. £ s. d.	Thro'. £ s. d.	Under- charged.	Over- charged.	Sender.
Description.	No. Galls.											

N.B.—The Guard of the Train must see that the entries on this Bill correspond with the articles delivered to and given up by him.

Guard's Signature.

RAILWAY.

NEWSPAPER PARCELS WAY BILL.

TO BE USED ONLY FOR TRAFFIC AT THE NEWSPAPER SCALE.

From _____ to _____ day of _____ 19____
Via _____

Departure _____ o'clock Train _____ day of _____ 19____		Traffic not Labelled.			
Name.	Destination.	Weight. lbs.	Value of Labels. £ s. d.	Paid on. £ s. d.	
				To Pay. £ s. d.	Paid. £ s. d.

N.B.—The Guard of the Train must see that the entries on this Bill correspond with the Parcels delivered to and given up by him. Numbers must not be abstracted.

RAILWAY.

Form No. 9 (28).

PARCEL DELIVERY BOOK.

Date.	Where from.	Description.	Consignee.	Residence.	Paid on.	To Pay.	Extra charge for Delivery of Parcels and Telegraph Messages.	Signature of Agent.	Signature.
						£ s. d.	£ s. d.		

Form No. 11 (30).

RAILWAY.

GUARD'S WAY BILL for Carriages, Luggage, &c.,
Horses, Cattle, Asses, Mules, Dogs, and other Quadrupeds,
and for Poultry and other Live Birds, by Passenger Train.

Bulls, Cows, Oxen,
Heifers, Calves, Sheep,
Goats and Swine, will
only be accepted for con-
veyance when accom-
panied by a declaration
from the sender that the
Animals tendered for
conveyance have not to
the best of his knowledge
and belief been exposed to
the infection of disease.

m. Train No. _____ Date _____ 19____.

From _____ to _____

Via _____

No. of Horse Box _____ No. of Carriage Truck _____

QUANTITY.	DESCRIPTION.	Rate. s. d.	Paid on s. d.	To Pay. £ s. d.	Paid. £ s. d.	† Paid Excess Luggage. £ s. d.
_____	Carriage — Wheels					
_____	Carriage Trucks					
_____	Covered Trucks (Extra)....					
_____	Truck of Luggage					
_____	Invalid Road Carriage					
_____	Horses.....					
_____	Bulls					
_____	Neat Cattle					
_____	Rams					
_____	Sheep					
_____	Pigs.....					
_____	Asses or Mules					
_____	Dogs					
_____	Other Quadrupeds } viz. _____					
_____	Poultry or } viz. _____					
_____	other Birds } _____					
_____	Declared Value £ _____					
_____	Percentage on £ _____ at 1½ per cent.					
† EXCESS LUGGAGE	Total Weight _____ lbs.					
	Allowed lbs.					
	Excess lbs.					
				Enter Amount in column marked †		

Name of Consignee _____

Address _____

This Way Bill must be handed to the Guard and be delivered by him to the Officer on duty or other appointed person at the Receiving Station.

Note.—When percentage is paid, the animal or animals must be treated throughout in the same manner as a "Value" parcel, and a signature obtained by each person through whose hands they pass.

RAILWAY.—Abstract of LOCAL TRAFFIC (other than Passengers) carried by Passenger Trains.

* FORWARDED FROM _____ TO _____ MONTH ENDING _____ 19____.

PARCELS, including NEWSPAPERS. (NOT PREPAID BY LABELS.)										MISCELLANEOUS.							
Date.	Number of Parcels.	Paid on.	To Pay.	Paid.	Through.	Excess LUGGAGE. (Paid).	MEAT, &c. Weight of Traffic.	NUMBER OF					Paid on.	To Pay.	Paid.	Thro'. s. d.	Excess LUGGAGE. (Paid). †
								Horses.	Carriages and Vans.	Dogs.	Cans of Milk.	Sundries.					
		£ s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	T. C.					£ s. d.	£ s. d.	£ s. d.	s. d.	£ s. d.	
Total ..	21	13	1	2	14	3	28	22	23	24	25	26	15	4	5	16	6

Carry the Totals into corresponding columns of Local Summary, thus—21 into 21, 13 into 13, &c.

* N.B.—Or "Received at _____ from _____." Received Abstracts printed in red ink. † Two cwt. and over.

Form No. 13 (36).

RAILWAY. RAILWAY CLEARING HOUSE.

Abstract of TRAFFIC (other than Passengers) carried by Passenger Trains.

* FORWARDED from _____ to _____ on the _____ Railway, via _____ For the Month ending _____ 19____

PARCELS, INCLUDING NEWSPAPERS.										MISCELLANEOUS.										Particulars of Recharge Vouchers included in this Abstract.			
Date.	Number of Parcels.	Paid on.	To Pay.	Paid.	Through.	Excess Luggage. (Paid.)	NEWS.		MEAT, &c.	NUMBER OF						Paid on.	To Pay.	Paid.	Through.	Excess Luggage. (Paid.)	No. of Authority.	AMOUNT.	
							Prepaid by Label only.			Weight of Traffic.	Horses.	Carriages and Vans.	Dogs.	Of Milk.	Sundries.							Paid on.	To Pay.
		£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	s. d.	T. c.							£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.		£ s. d.	£ s. d.	
Total ..									8	2	3	4	5	6	26	34	21	38	22				
	1	24	30	17	36	18	20	T. c.															

* N.B.—Or “Received at _____ from _____.” Received Abstracts printed in red ink. † Cans or Gallons as may be required.

† Two cwt. and over.

RAILWAY. English Clearing House.

SUMMARY OF LIGHT FOREIGN PARCELS & MISCELLANEOUS TRAFFIC.

* Forwarded FROM Station TO Stations on the Railway.

This Summary is to contain traffic settled through English Clearing House of the value of 5s. or under, per Month, to any Station of the above-mentioned Railway.

NOTE.—A separate Summary must be used for the traffic to each Railway.

Month of _____ 19

INSTRUCTIONS.—1. Sort the Summaries in the following order of Companies :—London and North Western, Midland, Lancashire and Yorkshire, North Eastern, Manchester Sheffield and Lincolnshire, Great Northern, Great Western. Remaining English Cos. in alphabetical order. Scotch Cos. ditto. Irish Cos. (where traffic settled through English C.H.) to be classified amongst the English or Scotch Cos. according to the Port.

2. On this form make a Summary of the total of each Company, and carry the grand total thereof to Heavy Foreign Summary.

3. If there should not be any Heavy traffic, the total of the Light must be carried direct to Local Summary.

4. To ascertain if the traffic is Light or Heavy, deduct Paid on, from To Pay, and Paid, amounts, both "Parcels" and "Miscellaneous," but each Route must be considered separately.

5. FOREIGN INACCURACIES.—These must be taken to account on Heavy Summary, whether they relate to Heavy or Light traffic.

6. FOREIGN RECHARGES of "Paid on and To Pay," whatever the amount, must always be abstracted and summarised as *HEAVY traffic*.

STATIONS. (In Alphabetical Order).	Route.	PARCELS.						MISCELLANEOUS.					
		Number of Parcels.	Paid on.	To Pay.	Paid and Excess Luggage.	Thro'.	News Prepaid by Label only.	Dogs.	Number of Sund- ries.	Paid on.	To Pay.	Pa d.	Thro'.
			£ s. d.	£ s. d.	£ s. d.	s. d.	s. d.			£ s. d.	£ s. d.	£ s. d.	s. d.

* Or, "Received at.....Station, From, &c."

Received Summaries printed in red ink.

RAILWAY. RAILWAY CLEARING HOUSE. Form No. 15 (33).
SUMMARY OF ABSTRACTS OF ALL FOREIGN TRAFFIC (OTHER THAN PASSENGERS) CARRIED BY PASSENGER TRAINS.
Grantham Station, Month of June, 19 .

OUTWARD.										INWARD.		DEBIT.						CREDIT.					
NUMBER OF					WEIGHT OF					Columns 9 to 16 same as "Outward."	OUTWARD.		PARCELS.		MISCELLANEOUS.		OUTWARD.		PARCELS.		MISCELLANEOUS.		
Parcels.	Horses.	Carriages and Vans.	Dogs.	Cans of Milk	Sundries.	Fish.		Meat, &c.			Paid. £ s. d.	Excess Luggage (Paid). £ s. d.	To Pay. £ s. d.	Inward £ s. d.	Outward News, Prepaid by Label only. s. d.	Outward Paid. * £ s. d.	Outward Excess Luggage (Paid). £ s. d.	Inward To Pay. £ s. d.	Outward Paid On Thro' s. d.	Inward Paid On. * £ s. d.	Outward Thro'. s. d.	Inward Thro'. s. d.	
						T. C.	T. C.	T. C.	T. C.														£ s. d.
1	2	3	4	5	6	7	8			17	18	19	20	21	22	23	24	25	26	27			
98	12	9	4	5	6	7	8			4 5 0	1 12 0	5 0 0		18 16 6		25 2 7	1 8 4						

(b) (a)

(Continued below.)

STATIONS.	Company.	Route.	OTHER COMPANIES.										
			DEBIT.					CREDIT.					
			PARCELS.			MISCELLANEOUS.		PARCELS.			MISCELLANEOUS.		
			INWARD		Outwa'd To Pay.	Inwa'd News, Prepaid by Label only.	Inwa'd Paid.	Inwa'd Excess Lugg'ge (Paid).	Outwa'd To Pay. *	Inwa'd Paid On 'thro'.	Outwa'd Paid On.	Outwa'd 'thro'.	
Paid.	Excess Lugg'ge (Paid).	£ s. d.	£ s. d.	£ s. d.									£ s. d.
			£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.
			28	29	30	31	32	33	34	35	36	37	38
Newcastle.....	N.E.	York.	2	3	4		11	0	33			2	
Do. covered carriage trucks			9	6	0		0	0	10			18	
Thirsk		"	7						3			3	
And so on		"							10				

(b) (a)

(Continued from above.)

Previous month's foreign inaccuracies entered next. Total of Summary carried to Local Summary. * Two cwt. and over.

The back of this Summary is ruled for Audit Office Notes of Inaccuracies, and is not used by Stations except for giving particulars of Recharge Vouchers.

SUMMARY OF ABSTRACTS OF ALL LOCAL TRAFFIC (OTHER THAN PASSENGERS) CARRIED BY PASSENGER TRAINS.

Month of _____ 19____

[illegible]

(Continued from above.)

FORWARDED.						RECEIVED.				FORWARDED.										RECEIVED.
PARCELS.		MISCELLANEOUS.				PARCELS.		MISCELLANEOUS.		NUMBER OF					WEIGHT OF					
Paid on.	Through.	Paid on.	Through.	Paid on.	Through.	Paid on.	Through.	Paid on.	Through.	Parcels.	Horses.	Carrriages.	Dogs.	Milk.	Sundries.	FISH.	MEAT, &c.			
£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	21	22	23	24	25	26	27	T. C.	T. C.	Columns 29 to 36, same as Forwarded.	
13	14	15	16	17	18	19	20											28		

(Continued from above.)

(2)—Stations entered in order of Accountant's list. Then follow previous Month's local inaccuracies. A detailed Account of Horse, Carriage, &c., Tickets issued (both local and foreign) is given on the back of this Summary.

FOREIGN COMPANIES' PROPORTIONS.

ACCOUNT OF TOURIST TICKETS ISSUED AT _____ STATION. Month of _____ 19 _____.

Here state whether
2 or 3 Companies' Traffic. _____ Companies' Traffic.

The Miles and Foreign Proportion Columns will be filled up by Audit.

Station.	Route.	Class.	Numbers.		Children.	Tickets not issued.	No. Passeng- ers.			Gross Rate.	Gross Amount. £ s. d.	Receipts for each Station. £ s. d.	Miles.		Rate.	FOREIGN PROPORTION		
			Com- men- cing.	Clos- ing.			1	2	G				Local.	C. H.		1st. £ s. d.	2nd. £ s. d.	Gov. £ s. d.
		1																
		2																
		G																
		1																
		2																
		G																

Form No. 22 (58).

Pro. No. _____

RAILWAY. _____

CONSIGNMENT NOTE.

STATION, _____ 19____.

The _____ Railway Company are requested to receive and forward as per Address and particulars on this note, the undermentioned Goods, *on the conditions stated on the other side.*

SENDER _____

ADDRESS _____

Owner and No. of Truck.	No. of Invoice.	CONSIGNEE.	ADDRESS.	No. or Articles.	Description of Goods and Marks.	WEIGHT.	Charges paid on.	Who pays the Carriage.
						T. C. Q. L.	£ s. d.	

CONDITIONS.

1. The _____ Railway Company give public notice that they hold themselves entirely relieved from loss of, or damage done to all goods, matters, or things described in the Act of William IV., cap. 68, unless the particular articles be declared, and an assurance over and above the carriage be paid as compensation for the risk incurred.

2. That in respect of any animals, luggage, or goods booked through, and to be carried partly by railway and partly by sea, and partly by canal and partly by sea, the Company shall be exempted from liability for any loss or damage which may arise during the carriage of any such animals, luggage, or goods, from the act of God, the Queen's enemies, fire, accidents from machinery, boilers, and steam, and all and every other dangers and accidents of the seas, rivers, and navigation of whatever nature and kind soever, in the same manner as if the Company had signed and delivered to the Consignor, a Bill of Lading containing such conditions.

3. That no claim for loss or damage for which they may be liable will be allowed, unless the same be made within *three* days after delivery of the Goods, such delivery to be considered complete when notice of arrival is sent to the Consignee, or, if the Goods be carted by the Company, when they are unloaded at the door of the Consignee's place of abode or business.

4. That all Goods conveyed—but which the Company have not undertaken to deliver—must be removed from the Company's trucks, within twenty-four hours after notice of arrival is sent to Consignee, or they will, after the expiration of that time, be subject to an additional charge beyond the amount due for carriage thereof, of *three shillings* per truck per day, or part of a day, for demurrage of such truck, and be held by the Company, not as common carriers, but as warehousemen at owner's sole risk.

5. That Consignors ordering trucks and not loading them, or having loaded them, failing to order them away within twenty-four

hours after such trucks shall be ready for loading, at the station, will be subject to a charge of 3s. per truck per day, for demurrage thereof, for every day or fraction of a day they shall be detained, after the expiration of such twenty-four hours.

6. That they do not, except on special conditions, undertake the carriage of gunpowder, lucifer matches, aquafortis, oil of vitriol, or other dangerous articles; neither will they, under any circumstances, be liable for the loss of any such article, but all senders thereof will be held accountable for any damage arising thereto or therefrom, and whether to other Goods or property of the Company or of any other person. *Senders of such Goods are subject to a Penalty of Twenty Pounds, unless the nature of the contents be declared and distinctly marked on the outside of the package containing the same.*

7. That all Goods delivered to the Company will be received and held by them subject to a general lien for money due to them, whether for carriage of such Goods, or for other charges; and in case the general lien is not satisfied within a reasonable time from the day when the Company first received the Goods, the same will be sold by the Company by auction or otherwise, and the proceeds of sale applied to the satisfaction of such lien and expenses.

8. All perishable articles refused by the person, or at the place to which directed, or directed to a place not known by the Company's agents or servants, or not directed at all, or not paid for and taken away within six hours after arrival, if addressed to be kept till called for, will be forthwith sold by auction, or otherwise, without any notice to Sender or Consignee, and payment or tender of the net proceeds of any such sale, after deduction of freight charges and expenses, shall be accepted as equivalent to delivery. The Company will not be responsible for any claim upon any such articles on the ground of loss of market, provided the same be delivered within a reasonable time after they come into the possession of the Company.

_____, Secretary.

Form No. 24 (59).

RAILWAY.

GUARDS' WAY-BILL FOR GOODS LEFT AT ROAD STATIONS AND JUNCTIONS.

TRAIN.

No. of Train.	Hour of Departure.	DAY.	DATE.	19 .
From _____ To _____				

INSTRUCTIONS.—This Bill is for the purpose of having all Goods entered upon it that are intended to be left at Road Stations and Junctions (excepting such as are loaded in a Wagon direct from the sending to the receiving Station); and the Guards are hereby enjoined to see that in all cases, the Goods they receive are entered accordingly, and compare the entry with the Invoice before leaving the Station at which they receive them; it is the more requisite that this should be done, as they will be held accountable for the Goods after having received and had them entered, until their delivery to the Clerk in charge at the Station or Junction at which they are to be left. Upon no consideration must they load Goods in their Break or Road Vans, from either Terminal or Intermediate Stations, unless they are accompanied by the Invoice, and duly entered on this Bill; nor must they leave Goods at any Station without obtaining the Signature of the Clerk in charge for them.

GUARD'S NAME _____

When complete this Bill must at once be sent to the Goods Manager.

From.	To.	Date.	No. of Invoice.	Description and No. of Articles.	Junction or Station at which they must be left.	Signature of Clerk at that Station as having Received the Goods.	REMARKS.

[illegible]

You are requested not to pay more than the amount stated above, and to see that the Bill delivered with the Goods agrees therewith.

N.B.—Should this Sheet be lost any person bringing it to the _____ Goods Offices will receive 2s. 6d. Reward.

Form No. 26 (62).

RAILWAY.

STOCK BOOK.

Received.

(Left hand page.)

Pro. No. of Invoice.	Lot No. of Goods.	INVOICE.		From.	Sender.	Consignee, or to whose Order.	No. of Articles.	Species of Goods.	Marks and Nos.	WEIGHT.		Rate.	Paid on.	To Pay.
		Date.	No.							Carted.	Not Carted.			
										T. C. Q. L.	T. C. Q. L.			£ s. d.

Delivered.

(Right hand page.)

Date Advised	Order for disposal.		Free of Rent up to	Date of Disposal.	No. of Articles.	Species of Goods.	Marks and Nos.	Weight.	Cartage and other Charges.	Wharf or Warehouse Rent.		Total to Pay.	Cash Book Folio.	Remarks, or Reference to Correspondence.	To whom Delivered.	Signature of Delivery Sheet.
	Date receiv'd	No. of Order.								Wks.	Rate. Amount.					
								T. C. Q. L.			£ s. d.	£ s. d.				

RECEIVED.

GRAIN WAREHOUSE BOOK.

Left hand Page.

No. of Truck.	Invoice.		From.	Sender.	Consignee.	Quantity.	Species.	In whose Sacks.	Where placed.	Weight.		
	Date.	No.								T.	C.	Q.

DELIVERED.

Right hand Page.

Rate.	Paid on.	To Pay.		C. B. Folio.	Date of Advice of Arrival.	Date.	To whom delivered.	Quantity.	Rate.	Housage.			Ledger Folio.	No. of Order.	Signature.
		£	s. d.							£	s.	d.			

DAILY ADVICE OF COLLECTION BY

With this must be sent proper Vouchers, duly signed by the Public, for the Allowances, Claims, and Overcharges, for which Credit is taken hereon.

[illegible]

RAILWAY.

UNDERCHARGE REGISTER FOR FORWARDED INVOICES. *

Left hand Page.

Invoice.		Station To	Name.	Species.	Weight.		Rate.	
Date.	No.				Charged. T. C. Q. L.	Should be. C. Q. L.	Charged.	Should be.

Right hand Page.

Paid on.		Paid.		To Pay.		Undercharges on Amounts.		References to Advices.		Undercharged Invoice.	
Charged.	Should be	Charged. £ s. d.	Should be. £ s. d.	Charged. £ s. d.	Should be. £ s. d.	Paid. £ s. d.	To Pay. £ s. d.			Date.	No.

* N.B.—The Undercharge Register for Received Invoices is exactly the same as the above, except that "Received" is substituted for "Forwarded," and "Station from" for "Station to." The "Received" register is printed in red ink, and the "Forwarded" in black.

Form No. 36 and 36a (23).

RAILWAY. RAILWAY CLEARING HOUSE.

OVERCHARGES at _____ Station, on Goods Invoiced
 to _____ Co., Via _____ for _____ Station, for _____ 19 ____ No. _____

Prescribed Nos.
 Co. Other Terminal Co.

N. B. Be careful to give the name of the Terminal Co. and Route correctly.

The weight, money, and other columns of this form are exactly the same as on form No. 35 for Local Overcharges.

The following Forms of Certificates are, however, printed at the foot of the return of Foreign Overcharges:—

<p>* Certified for _____ pounds, _____ shillings, _____ pence.</p> <p>The Station accepting the overcharge to fill in the amount in words.</p>	<p>Examined, _____ Railway Co. _____ Station. Railway Co. _____ Station.</p>	<p>Certified for Payment Goods Manager's CERTIFICATE.</p>
---	--	---

The returns of "INWARD" Overcharges, both local and foreign, are the same as the "Outward," except that "Invoiced by" is substituted for "Invoiced to"; also "from _____ Station," for "for _____ Station," and "Amount (to pay)" for "Amount (paid)." The "Inward" are also printed in red ink, the "Outward" in black.

Form No. 37 (85).

FORWARDED GOODS ABSTRACT—LOCAL.

ABSTRACT OF LOCAL GOODS TRAFFIC. _____ RAILWAY.

Forwarded from _____ to _____ for _____ 19____.

INVOICE.		Carted.	Not Carted.	Mineral Class.	Paid on.	Paid.	To Pay.
Date.	No.	T. C.	T. C.	T. C.	£ s. d.	£ s. d.	£ s. d.

Form No. 38 (85).

RECEIVED GOODS ABSTRACTS—LOCAL.

ABSTRACT OF LOCAL GOODS TRAFFIC. _____ RAILWAY.

Received at _____ from _____ for _____ 19____.

The weight and money columns are the same as the "Forwarded" (above).

Form No. 50 (104).

EMPTY SACK DELIVERY BOOK.

RAILWAY.

Pro. No. 199.

Station, _____ 19 .Name, *W. Thompson*, address _____

Received 240 Empty Sacks, the property of the _____ Railway Company, for the purpose of being filled with Grain, to be conveyed by the _____ Railway from this Station, subject to the conditions below, of which I have received a copy.

Signature _____ For _____

Witness _____

Here follow the "Conditions."

BACK OF ABOVE.

Date Returned. 19 .		No. of Ticket.	Consignee.	Address.	No. of Sacks.	No. of Weeks.	£ s. d.			Folio.
June	19	199	Williamson	Leeds	180					
(a)	29	„	Do.	Do.	30	2		2	6	Invoice
(b)	29	„	Returned	unused	30	2		2	6	53
					240					

NOTE.—As the Sacks are returned they are entered on the back of the ticket as above.

(a) Charges invoiced "paid on" and "to pay."

(b) Charges posted to Thompson's debit in Sack Ledger.

DUPLICATE, OR COUNTERPART TICKET, GIVEN TO HIRER.

RAILWAY.

Pro. No. 199.

Station, _____ 19 .

Name, _____ Address, _____

Receive 240 Empty Sacks, marked " _____ Railway Company," for the purpose of being filled with Grain, to be forwarded by the _____ Railway from this Station, subject to the following conditions :—

(Here follow the "Conditions.")

Signature of Clerk _____

Form No. 51 (104).

RAILWAY._____
Station _____ 19 .

A Statement of Sacks taken out to fill and not returned within a month from the date hired.

Date.	No. of Ticket.	Name of Hirer.	Address.	No. of Sacks Hired.	Date Returned.	No. of Sacks Returned.	No. of Sacks still out.
-------	----------------	----------------	----------	---------------------	----------------	------------------------	-------------------------

Form No. 52 (105).

FULL SACK DELIVERY BOOK.

RAILWAY._____
Station, June, 19 .

Received 80 _____ Railway Sacks, filled with Grain or Seed,
from N _____ Station, on _____ 19 (Invoice
No.) subject to the conditions below, of which I have received a copy.

Signature, *W. Thompson.*

For _____

Witness _____ Address _____

(Here follow the "Conditions.")

This part is retained at the Station.

COUNTERPART OF ABOVE.

RAILWAY._____
Station, June, 19 .

Delivered to *W Thompson*, 80 _____ Railway Sacks filled
with Grain or Seed, from _____ Station,
on _____ 19 , subject to the conditions below :—

Signature of Clerk _____

(Here follow the "Conditions.")

This part is given to Consignee.

FULL AND EMPTY SACKS RECEIPT BOOK.

RAILWAY.

Station.

No.

Certified from Mr. W. THOMPSON, on undermentioned dates, Sacks marked RAILWAY CO.

DATE RETURNED TO STATION.	Credits for Empty Sack Delivery Book.		CREDITS FOR SACK LEDGER.				“INWARDS TRAFFIC.”		Sacks from Public not obtained at this Station.		Examples only. Separate tickets used for each delivery in actual transactions.
	Sacks Returned.		Sacks taken out full returned.		Sacks shot or Re-consigned.	Ledger Folio.	Full.	Empty.			
	Full to forward.	Empty, Unused.	Empty.	Re-filled.							
June 19	180										
20											
29						30	53				
29	30	30	60	Re-consigned.			53				

Consignee.

Address

Signature of Station Clerk.

N.B.—Counterpart of above given to Public.

SACK ABSTRACT BOOK.

CREDIT—OUTWARDS.

(Right hand Page.)

Appendix.

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Date Forwarded	Invoice No.	SACKS FORWARDED.			Weight. T. C. Q. L.	Date had out to fill.	Date of delivery of Grain at Station.	Sender.	Consignee.	Destination.	SACK HIRE.		R sk.	Demurrage under 4 Days' Clause.	Demurrage under 2 Days' Clause.	Remarks.
		Empty.	To Local Stations.	To Foreign Stations.							Paid.	To Pay.				
19 .											£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	
June 23	68		180			17/6	19/6	W. T.	I. W.		7 6			7 6	7 6	) Delayed 4 days at Station waiting orders. { Out 12 days, Only 4 allowed.
" 24	69		30			R/cd. 20/6	20/6	"	"			1 3		1 3	1 3	
" 30	93		30			17/6	29/6	"	"		1 3		2 6			
		(and so on)														
			584	294							1 3 4 2 3 5		9 0	1 14 1 2 3 8	£ 7 13 6	

MONTHLY ABSTRACT OF SACKS RECEIVED FULL FROM OTHER STATIONS AT L STATION FOR JUNE, 19 .

This Return must be sent to the Goods Audit, Accountant's Department, , on the 8th of each Month.

Invoice.		No. of Sacks.		Sender.	Consignee.	From what Station received.	Date of Sacks sent out.	Date of Sacks Received back.	Demurrage (12 days' clause.) £ s. d.	Remarks.
Date.	No.	From Local Stations.	From Foreign Stations.							
June 16	26	150		H. G.	W. T.	—	June 19.	June 29.	2 6	{ 20 out. 30 re-consigned. 40 on hand.
		No. of Sacks, 30			Unused W. T.	(and so on.) Sacks. — (and so on.)	June 17.	June 29.	4 19 7 2 6	
									5 11 5	
								Total £	10 11 0	

The Total of Demurrage Columns must agree with the amount shown on Debit List.

Form No. 59 (109).

RAILWAY.

SACK LEDGER BALANCES _____ QUARTER ENDING _____ 19

Station.

DEBIT SUMMARY.		CREDIT SUMMARY.	
Balances from last Quarter.....		Credits for Sack Ledger as per {	
Full sacks received Sack Abstract {		Sack Abstract Book—Outward {	
Book—Inward		1st Fortnight	90
1st Fortnight	110	(continued to "6th Fortnight")	
(Continued to "6th Fortnight") ..		Add Debit Balances as below ..	20
Add Credit Balances as below			
TOTAL....	100	TOTAL....	110

PARTICULARS OF DEBIT AND CREDIT BALANCES.

Sack Ledger Folio.	Name.	Address.	Sacks.					Credit Balances only.	
			Balances from last Quarter.	Debit Total.	Credit Total.	Debit Balance.	Credit Balance.	Date Returned.	Full and Empty Receipt Book.
53	W. Thompson	—		110	90	20			

Form No. 60 (109).

RAILWAY.

QUARTERLY STATEMENT OF SACKS THAT HAVE BEEN OUT
MORE THAN A MONTH.

Station _____ 19 .

Leigh Folio.	Date of Invoice.	No. of Invoice.	No. of Sacks.	Sender.	Station From.	Consignee.	Address.	Date Delivered.

Form No. 61 (112).

19__.

DECLARATION OF COAL, COKE, AND LIME, TO BE FORWARDED BY THE
RAILWAY COMPANY ON ACCOUNT OF _____

Subject to the Rates and Conditions in Force for the time being.

No.

From	To	Route.	Consignee.	Ultimate Destination.	Description.	WAGONS.		WEIGHT.	
						Mark.	No.	T.	C.

Signea _____

Form No. 62 (112).

RAILWAY.

MINERAL INVOICE, No. _____ FROM _____ VIA _____ TO _____ ON ACCOUNT OF _____ 19__.

From what Colliery.	Consignee.	Destination.	WAGONS.		Species.	WEIGHT.	
			Marks and Numbers.	Quantity.		T.	C.

Form No. 64 (112).

RAILWAY. STATION.

WEEKLY SUMMARY OF * LOCAL MINERAL TRAFFIC FROM COLLIERY.

Week ending 19 .

To	Route.	Gas Coal.		Coal.		Coke.		Lime.		Limestone.		Rate.	Not to be used by the Stations.			
		T.	C.	T.	C.	T.	C.	T.	C.	T.	C.		£	s.	d.	

* A similar form, printed in red, is used for "Foreign" traffic. Stations are requested to state, on these forms, the cause of any unusual increase or decrease in the amount of traffic to any station.

Form No. 67 (113).

RAILWAY.

INWARDS MINERAL ABSTRACT.

Received from _____ Station to _____ Station, for Month of _____ 19
Invoiced by _____ Colliery on account of _____

INVOICE.		WAGONS.		Quantity of Wagons.	Coal.		Coke.		Lime.		Limestone.		If you have received any Wagons without Invoices, or Invoices without Wagons, enter them and say so in the margin.
Date.	No.	Marks and Numbers.			T.	C.	T.	C.	T.	C.	T.	C.	

These forms are used for Local Traffic.

MONTHLY ABSTRACT OF INWARD FOREIGN COAL, &c., FROM THE _____ RAILWAY.

At _____ Station, for the Month ending _____ 19 .

N. B.—This Abstract is to be sent to the MINERAL OFFICE on the 6th of the following Month. If no Traffic, say "Nil."

[illegible]

For "Foreign Traffic," printed in red ink.

No. _____

RETURN OF SUMS PAID BY _____ COMPANY FOR LOSS OR DAMAGE OF PARCELS, FISH, &C., MONTH ENDING _____ 19

Way-bill.		Stations.		Route.		Weight.		Consignment.			Amount paid for Claim.		Received for Sale of damaged Parcels, &c. (if any).		Net Loss.		Cause of Claim.		Loss to be Miled.		Reference to Foreign Company's Authority.		When entered in Cleaning House Accounts.	
No.		Date.		From.		To.		Charges in Way-bill.			Paid on.		Paid.		To Pay.									
											£ s. d.		£ s. d.		£ s. d.		£ s. d.							

NOTE.—The Monthly "Return of Sums paid by other Companies for Loss or Damage of Parcels, Fish, &c. in which the _____ Company participates by mileage," has the same columns and headings as above.

Form No. 77 (251).

RAILWAY.

LOCAL GOODS INACCURACY SHEET FOR JUNE, 19 .

No. of Refer.	Between	Date.	No. of Invoice.	Carted. T. C. Q.	Not Carted. T. C. Q.	Minerals. T. C.	Paid on. £ s. d.	Paid. £ s. d.	To Pay. £ s. d.	When Sent.	Station's Answer.
1	A _____ to	11	24						9 0	15/7	"A" correct. "B" to enter 3/- in July omissions.
	B _____								6 0		
	H _____ to	11	61						10 0	15/7	"H" correct. "K" to enter in July omissions.
	K _____							10 0			

NOTE.—The amount entered opposite the name of each Station is the amount Abstracted by that Station.

 RAILWAY. RAILWAY CLEARING HOUSE. Form No. 83 (291).
 RETURN of _____ Company's COACHING STOCK arriving at and departing from _____ Station.
 Week ended the _____ 19 ____.

ARRIVAL.			DATE.		DEPARTURE.		
Description of Vehicle.	Number.	Loaded or Empty.	From.	Day of the Week.	Day of the Month.	Description of Vehicle.	To.

 RAILWAY. RAILWAY CLEARING HOUSE. Form No. 84 (291).
 RETURN of _____ Company's WAGONS arriving at and departing from _____ Station.
 Week ended the _____ 19 ____.

ARRIVAL.			DATE.		DEPARTURE.		
Number.	Description of Load.	From.	Day of the Week.	Day of the Month.	Number.	Description of Load.	To.

Form No. 85 (291).

RAILWAY.—RAILWAY CLEARING HOUSE.

RETURN of _____ Co.'s SHEETS Arriving at and Departing from _____ Station.

Week ended the _____ 19__

ARRIVAL.		DATE.		DEPARTURE.	
Number.	From	Day of Week.	Day of Month.	Number.	To

Form No. 86 (292).

RAILWAY.—RAILWAY CLEARING HOUSE.

RETURN for Month ending _____ 19 of FOREIGN WAGONS
containing one Ton, or upwards, of Goods for other Stations (and of Sheets
covering such Wagons), which have been relabelled.

Station. Signature

[illegible]

Form No. 87 (292).

RAILWAY.—RAILWAY CLEARING HOUSE.

RETURN for Month ending _____ 19__ of FOREIGN WAGONS
Received from Foreign Lines, containing less than a Ton (and of Sheets covering
such Wagons), arriving at _____ Station.

Signature_____

[illegible]

GOODS CLAIMS REGISTER.

(Left hand Page.)

[illegible]

(Right hand Page.)

[illegible]

COLLECTORS' EXTRAS.

RAILWAY.

(Left hand Page.)

Date of Daily Advice.	Collector.	Station.	Name of Account at which the extra is made.	INVOICE.		From	To
				Date.	No.		

(Right hand Page.)

Name.	Species of Goods.	WEIGHT.		RATE.		PAID ON.		AMOUNT.		EXTRA. £ s. d.	Reference to Inspector's Claim.
		Charged. T. C. Q. L.	Should be. T. C. Q. L.	Charged.	Should be.	Charged.	Should be.	Charged. £ s. d.	Should be. £ s. d.		

RAILWAY COMPANIES (ACCOUNTS AND RETURNS) BILL, 1911

ARRANGEMENT OF CLAUSES.

Clause.

1. Yearly accounts and returns in form in First Schedule to be furnished to Board of Trade.
2. Filing of certain accounts by Registrar of Companies.
3. Alteration of First Schedule by Board of Trade.
4. Removal of obligation to prepare half-yearly accounts.
5. Saving for power to call for returns under 34 & 35 Vict. c. 78 and 51 & 52 Vict. c. 25.
6. Definitions and supplemental.
7. Repeal, short title, and commencement.

SCHEDULES.

A BILL TO AMEND THE LAW WITH RESPECT TO THE ACCOUNTS AND RETURNS OF RAILWAY COMPANIES.

BE it enacted by the King's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:—

1.—(1) Every railway company shall annually prepare accounts and returns in accordance with the form set out in the First Schedule to this Act, and shall submit their accounts to their auditors in that form.

(2) The accounts and returns shall be signed by the officer of the company responsible for the correctness of the accounts or returns, or any part thereof, and, in the case of an incorporated railway

company, by the chairman or deputy chairman of the directors of the company, and shall be made up for the year ending *the thirty-first day of December*, or such other day as the Board of Trade may fix in the case of any company or class of companies to meet the special circumstances of that company or class of companies.

(3) Every railway company shall forward six copies of the accounts and returns to the Board of Trade not later than sixty days after the expiration of the year for which the accounts and returns are made up, and, in the case of an incorporated railway company, shall forward a copy of the accounts and returns to any shareholder or debenture holder of the Company who applies for a copy ;

(4) If any railway company fails to prepare or forward, in accordance with this section, such accounts and returns as are thereby required, the company shall be liable on summary conviction to a fine not exceeding *five pounds* for every day during which the default continues.

(5) If any account or return prepared and forwarded under this section is false in any particular to the knowledge of any person who signs the account or return or any part thereof, that person shall be liable on conviction on indictment to imprisonment with or without hard labour for a term not exceeding one year, or to a fine not exceeding *one hundred pounds*, and on summary conviction to a fine not exceeding *fifty pounds*.

2.—(1) A copy of the accounts numbered 1 (a), 1 (b), 1 (c), 3, and 18 in Part I. of the First Schedule to this Act, as forwarded to the Board of Trade in pursuance of this Act, shall be filed by the Registrar of Companies in England, and if any part of the railway of a company is situated in Scotland or Ireland, also by the Registrar of Companies in Scotland or Ireland, as the case may be, and for that purpose the Board of Trade shall, on receiving copies of accounts and returns under this Act from a railway company furnish one of those copies to any Registrar by whom accounts are to be filed under this section ;

(2) Any person may inspect the accounts filed by any Registrar of Companies in pursuance of this section on paying a fee of *one shilling* for each inspection as regards each railway company, and any person may require a copy or extract of any of those accounts to be certified by or on behalf of the Registrar on paying for the copy or extract such fee as the Board of Trade may appoint, not exceeding

sixpence for each folio of a certified copy or extract, or in Scotland for each sheet of two hundred words.

(3) The provisions of the Railway Companies Securities Act, 1886, requiring half-yearly accounts in connexion with loan capital shall cease to have effect, and in section fourteen of that Act (which relates to the declaration to be made on mortgage deeds and debenture stock certificates) "the officer responsible for the correctness of the declaration" shall be substituted for "the company's registered officer."

3.—(1) The Board of Trade may by order, made under this section, alter or add to the First Schedule to this Act in such manner as they think fit; and on any such alteration or addition being made, this Act shall be construed as if those alterations or additions were made in the First Schedule thereto.

(2) When the Board propose to make any such alteration or addition, they shall publish in the London, Edinburgh, and Dublin Gazettes, notice of the proposal and of the place where copies of the proposed alterations or additions may be obtained, and of the time, not being less than one month, within which any objection or suggestion made with respect to the alterations or additions by or on behalf of persons affected must be lodged with the Board, and shall take such other steps as they think best adapted for giving information with respect to those matters to persons affected.

(3) The Board of Trade shall consider any objection or suggestion made by or on behalf of persons appearing to them to be affected, which is lodged within the required time, and give to any person lodging any such objection or suggestion an opportunity of communicating with the Board on the matter.

(4) Not less than one month and not more than three months after the expiration of the time within which objections must be lodged, notice may be given to the Board of Trade, by or on behalf of railway companies whose aggregate capital is not less than *one third* of the total aggregate capital of all railway companies in the United Kingdom, that the companies are not satisfied with the mode in which any objection lodged by a railway company has been dealt with, and in that case, unless the notice is withdrawn, the order of the Board shall be provisional only, and shall not take effect unless it is confirmed by Parliament.

(5) The Board of Trade may submit to Parliament a Bill for confirming any order made by them which requires to be so confirmed, and if, while any such Bill is pending in either House of Parliament a petition is presented against any order comprised therein, the Bill, so far as it relates to the order, shall be referred to a Select Committee, or, if the two Houses of Parliament think fit so to order, to a joint committee of those Houses, and the petitioner shall be allowed to appear and oppose as in the case of Private Bills.

(6) The Board of Trade shall (in addition to the powers given to them under the foregoing provisions of this section) have power on the application of any company, to make as respects that company any special variation in the form of the accounts and returns set out in the First Schedule to this Act which appears to the Board to be required for the purpose of adapting the form to the particular circumstances of that company.

4.—(1) A railway company shall not be under any obligation to prepare or to submit to their shareholders or auditors, statements of accounts or balance sheets, or to hold ordinary general meetings more than once a year, and anything which under any special Act is authorised or required to be done at a general meeting of a railway company to be held at any specified time may be done at the annual general meeting of the company at whatever time held.

Provided that nothing in this provision shall relieve a railway company of any obligation to prepare half-yearly accounts in cases where those accounts are required in connexion with any guarantee of dividend under any such statutory provisions.

(2) The directors of an incorporated railway company may, if it appears to them that the profits of the company are sufficient, declare and pay an interim dividend for the first half of any year, notwithstanding that the accounts are not audited for the half-year, and that a statement of accounts and balance sheet for the half-year is not submitted to the shareholders.

(3) Any statutory provisions affecting the railway company shall be read with the modifications necessary to bring them into conformity with this section.

5. Nothing in this Act shall affect or limit any obligations imposed upon a railway company or any powers or rights conferred upon the Board of Trade by section nine of the Regulation of Railways Act,

1871, as amended by section thirty-two of the Railway and Canal Traffic Act, 1888, but the returns required of a railway company by those sections shall only be made at the instance of the Board of Trade and at such times as the Board of Trade may direct.

6.—(1) In this Act—

the expression “railway company” means any company or person working a railway under lease or otherwise, and the expression “railway” means a railway authorised by special Act ;

the expression “special Act” includes any certificate or order having the force of an Act, and the expression “statutory provisions” includes the provisions of any such certificate or order ;

the expression “Registrar of Companies” means the officer performing the duty of the registration of companies under the Companies (Consolidation) Act, 1908, in England, Scotland, or Ireland, as the case may be ;

the expression “shareholder” means the holder of any share or part of any stock or other capital of a railway company which is not raised by means of borrowing or has not the character of borrowed money, and the expression “debenture holder” means the holder of any debenture or part of any debenture stock or other capital of a railway company which is raised by means of borrowing or has the character of borrowed money.

(2) Where any light railway company or other railway company are exempted by virtue of any special Act from the operation of sections nine and ten of the Regulation of Railways Act, 1871, as respects their railway, or any part of their railway, that company shall, so far as regards that railway or part of the railway, be exempt from the obligation to prepare, submit, and forward accounts and returns under this Act ; and the Board of Trade may exempt any company or authority from that obligation if they are satisfied that the business of a railway company is merely subsidiary to the main business carried on by the company or authority, and that the company or authority are under an obligation to publish their accounts in a form prescribed by the Board of Trade or to present them to Parliament.

(3) Where a railway is being managed or worked by a joint committee or other body representing two or more railway companies and the receipts and expenditure of that railway are separately treated under

Abstract J. in the accounts and returns prepared and forwarded by the several companies whom the committee or body represents, the committee or body shall, for the purpose of the provisions of this Act with respect to accounts and returns, be deemed to be a separate railway company.

7.—(1) The Acts specified in the Second Schedule to this Act are hereby repealed to the extent mentioned in the third column of that Schedule.

(2) This Act may be cited as the Railway Companies (Accounts and Returns) Act, 1911, and shall come into operation on *the first day of January nineteen hundred and thirteen.*

FORM OF ACCOUNTS AND STATISTICAL RETURNS.

PART I.

FINANCIAL ACCOUNTS.

(Nos. 1 to 7, *Capital Accounts.*)

NO. 1 (a).—NOMINAL CAPITAL AUTHORISED, AND CREATED BY THE COMPANY.

(For old form, see Table No. 1, page 408.)

Special Acts.	Capital authorised.			Capital created.			Balance.		
	Shares and Stock.	Loans or Debenture Stock.	Total.	Shares and Stock.	Loans or Debenture Stock.	Total.	Shares and Stock.	Loans or Debenture Stock.	Total.
	£	£	£	£	£	£	£	£	£
I. Special Acts conferring capital powers which have been fully exercised.									
Totals.									
II. Special Acts conferring capital powers which have not yet been fully exercised.									
[<i>Each such Act to be stated here separately in order of date.</i>]									
1.									
2.									
&c.									
Total									

NOTE.—Where a special Act has been consolidated in a later Act, a reference to the consolidating Act is sufficient.

NO. 2.—SHARE CAPITAL AND STOCK CREATED, AS PER STATEMENT
NO. 1 (a), SHOWING THE PROPORTION ISSUED.

(For old form, see Table No. 2, page 408).

Description,	Amount created.	Amount issued.	Nominal additions to or deductions from Capital.	Amount on which Dividend is payable.	Amount which does not rank for Dividend until a future date.	Calls in arrear.	Amount uncalled.	Amount unissued.
	£	£	£	£	£	£	£	£
[Each class of shares and stock to be stated in order of date of creation, with the preferential or fixed dividends, if any, to which it is entitled, and any other conditions attached to it.]								
Total								

NOTE.—A column to be provided where necessary between “amount created” and “amount issued” to show “additional stock issued to provide authorised money.”

NO. 3.—CAPITAL RAISED BY LOANS AND DEBENTURE STOCK.

(For old form, see Table No. 3, page 409.)

	Raised by Loans.					Raised by issue of Debenture Stocks.						
	At	At	At	At	Total Loans.	Amount of Stock.	Nominal Additions or Deductions on Conversion.	Existing Amount of Stock.				Total raised by Loans or Debenture Stocks.
	per cent.	per cent.	per cent.	per cent.				At	At	At	Total Debenture Stock.	
	£	£	£	£	£	£	£	£	£	£	£	£
Existing at												
Existing at												
Increase												
Increase												

Total amount authorised to be raised by loans and debenture stocks in respect of capital created as per Statement No. 1 (a).

Less—Amount created but not yet available
 Reduction of borrowing power in respect of interest paid out of capital
 Capitalised value of rentcharges, annuities, or feu duties, in accordance with section 5 of the Lands Clauses Consolidation Acts Amendment Act, 1860
 Other deductions, if any
 Total deductions

Total amount raised by loans and debenture stock as above
 Balance, being available borrowing powers at

Dr.

No. 4.—RECEIPTS AND EXPENDITURE

(For old form,

To Expenditure.	Amount expended to .	Amount expended during Year, as per No. 5.	Total.
	£ s. d.	£ s. d.	£ s. d.
Lines open for traffic			
Lines not open for traffic :—			
New lines			
Widening of existing lines			
Lines leased			
Lines jointly owned			
Lines jointly leased			
Rolling stock			
Manufacturing and repairing works and plant :—			
Land and buildings			
Plant and machinery			
Total capital expended upon railway .			
Horses			
Road vehicles employed in the collection and delivery of parcels, goods, and passengers :—			
1. Goods and parcels road vehicles .			
2. Passenger road vehicles			
Steamboats			
Canals			
Docks, harbours, and wharves			
Hotels			
Electric power stations, &c.			
Land, property, &c. not forming part of the railway or stations :—			
(a) Used in connection with railway working			
(b) Not used in connection with railway working			
Other industries (to be stated separately) :—			
Subscriptions to other companies (for de- tails, see Table No. 4 (a)			
Special items			
TOTAL EXPENDITURE			
To Balance			
TOTAL			

ON CAPITAL ACCOUNT.

Cr.

see Table No. 4, page 409.)

By Receipts.	Amount received to	Amount received during Year.	Total.
	£ s. d	£ s. d.	£ s. d.
Shares and Stocks (No. 2)			
Loans (No. 3)			
Debenture Stock (No 3)			
	£		
Premiums on Shares and Stocks . .			
Premiums on Debenture Stock . .			
Total Premiums			
Discounts on Shares and Stocks . .			
Discounts on Debenture Stock . .			
Total Discounts			
Balance of Premiums and Discounts . .			
TOTAL RECEIPTS			
By Balance			
TOTAL			

No. 6.—ESTIMATE OF FURTHER EXPENDITURE ON CAPITAL ACCOUNT.

(For old form, see Table No. 7, page 411).

Expenditure to date on Principal Works in progress.		Estimated further Expenditure.		
		During the Year ending.	Subsequently until completion.	Total.
£		£	£	£
	Purchase of railways (particulars)			
	Lines belonging to the Company open for traffic (particulars)			
	Lines belonging to the Company not open for traffic:—			
	New lines (particulars)			
	Widenings of and additions to existing lines (particulars)			
	Lines leased (particulars)			
	Lines jointly owned (particulars)			
	Lines jointly leased (particulars)			
	Rolling stock			
	Manufacturing and repairing works and plant			
	Steamboats			
	Canals			
	Docks, harbours, and wharves			
	Hotels			
	Electric power station, &c.			
	Subscriptions to other companies			
	Special items			
	Miscellaneous			
	Total			
	Works not yet commenced and in abeyance			

No. 7.—CAPITAL POWERS AND OTHER ASSETS AVAILABLE TO MEET FURTHER EXPENDITURE ON CAPITAL ACCOUNT.

(For old form, see Table No. 8, page 411.)

	£	£
Stock, share, and loan capital authorised but not yet created (as per Statement No. 1 (a)).		
Stock and share capital created but not yet received (as per Statement No. 2):—		
Calls in arrear		
Amount uncalled		
Amount unissued		
Loan capital created but not yet available (as per Statement No. 3).		
Available borrowing powers (as per Statement No. 3)		
Add } balance at { Credit or } { or Deduct } { Debit } (as per Capital Account No. 4)		
Total		

(Nos. 8 to 18, Revenue Accounts.)

NO. 8.—REVENUE RECEIPTS AND EXPENDITURE OF THE WHOLE UNDERTAKING.

(For old form, see Tables No. 9 and 10, page 412.)

See State- ment.		Gross Receipts.	Expendi- ture.	Net Receipts.	Year 19 .		
					Gross Receipts.	Expendi- ture.	Net Receipts.
		£ s. d.	£ s. d.	£ s. d.	£	£	£
10	Railway . . .						
11	Omnibuses and other passen- ger vehicles not running on the railways .						
12	Steamboats .						
13	Canals . . .						
14	Docks, harbours, and wharves .						
15	Hotels and refresh- ment rooms and cars where catering is car- ried on by the company .						
16	Other separate businesses car- ried on by the company (in detail) . . .						
	Total . £						
Miscellaneous Receipts (Net):—							
Rents from houses and lands . . .							
Rents from hotels							
Other rents, including lump-sum tolls .							
Interest and dividends from investments in other companies (in detail).							
Transfer fees							
General interest							
Special items							
Total net income							

No. 9.—PROPOSED APPROPRIATION OF NET INCOME.

(For old forms, see Tables Nos. 9, 10 and 11, pages 412 and 413.)

		Year 19 .
	£ s. d.	£
Balance brought forward from last year's account		
Net income (as per Statement No. 8)		
Appropriation from Reserve		
Total		
Deduct—Interest, rentals and other fixed charges (to be stated by each company in order of priority):—	£ s. d.	
Interest on superannuation and other funds		
Rentcharges (or feu duties) and annuities		
Chief rents, wayleaves, &c., including lump- sum tolls		
Interest on loans		
Interest on debenture stocks (details)		
Rent of and guaranteed interest on leased and worked lines		
Interest on Lloyd's bonds		
General interest		
Special items (if any)		
Total		
Balance after payment of fixed charges.		
Appropriation to reserve and other special pur- poses:—	£ s. d.	
(Details)		
Total		
Dividends on guaranteed and preference stocks:—		
(Details)		
Total		
Balance available for dividends on ordinary stock:—	£ s. d.	
(Details)		
Total		

No. 9 (a).—STATEMENT OF INTERIM DIVIDENDS PAID.

	£ s. d.	£
Balance available for dividends, Year 19		
Deduct:—	£ s. d.	
Interim dividends paid (particulars)		
Undivided balance at 31st December, carried to balance sheet.		

Dr.

No. 10.—RECEIPTS AND EXPENDITURE

(For old form, see

To Expenditure.		Year 19 .	Percentage of Traffic Receipts.	
		
See Abstracts.	£ s. d.	£	Per cent.	Per cent.
A: Maintenance and renewal of way and works				
Maintenance and renewal of rolling stock :—				
£ s. d.				
B (1): Locomotives				
B (2): Carriages				
B (3): Wagons				
£ s. d.				
C: Locomotive running expenses				
D: Traffic expenses				
E: General charges				
Law charges				
Parliamentary expenses				
Compensation (accidents and losses):—	£ s. d.			
Passengers				
Workmen				
Damage and loss of goods, property, &c.				
Rates				
Taxes				
Government duty				
G: Running powers (balance, debit or credit)				
Total traffic expenditure £				
J.: Joint lines*				
Miscellaneous				
Total expenditure £				
Net receipts £				
Total £				

NOTE.—Gross receipts to include the whole of the receipts from traffic carried line by trains of other companies and no annual payment is made therefor, or where accruing to other companies in respect of running powers exercised by them over the in this statement, but to be entered as a payment in the Running Powers Account respect of trains run by the company over the lines of other companies to be excluded Powers Account.

* Under this heading should be entered only the expenditure or receipts of jointly joint committee and are not already embodied in those of the parent companies (see expenditure to be spread over the various heads on the respective sides of this Account.

IN RESPECT OF RAILWAY WORKING.

Cr.

Table No. 9, page 412.)

By Gross Receipts.			Year	Percentage of Traffic Receipts.	
			19
See Abstracts.	£ s. d.	£ s. d.	£	Per cent.	Per cent.
Passenger train traffic :—					
Ordinary passengers :—					
First class					
Second class					
Third class					
Season tickets :—					
First class					
Second class					
Third class					
Workmen's tickets .					
Total receipts from passengers					
Mails					
Parcels up to 2 cwt., parcels post, and excess luggage					
Other merchandise by passenger trains					
F. : Less expenses of collection and delivery					
Total passenger train receipts					
Goods train traffic :—					
Merchandise £ s. d.					
F. : Less expenses of collection and delivery					
Live stock					
Coal, coke, and patent fuel					
Other minerals					
Total goods train receipts £					
Total traffic receipts £					
H. : Mileage, demurrage, and wagon hire .					
J. : Joint lines *					
Miscellaneous					
Total £					

over the company's lines, except where (a) the traffic is carried over the company's (b) the payment made is by way of a fixed rent. The proportion of traffic receipts company's lines not to be treated as a deduction from the company's traffic receipts (Abstract G). The proportion of the traffic receipts accruing to the company in from the traffic receipts in this statement, and entered as receipts in the Running

owned and jointly leased lines in respect of which the accounts are prepared by or for the Abstract J). In the case of other joint lines, the company's proportion of the revenue and

ABSTRACT A.—MAINTENANCE AND RENEWAL OF WAY AND WORKS.

(For old form, see pages 381 and 358.)

			Year 19 .
	£ s. d.	£ s. d.	£
Superintendence:—			
Salaries			
Office expenses			
Maintenance of roads, bridges and works:—			
Earthworks			
Bridges, tunnels, culverts, retaining walls, and other works			
Roads and fences			
Maintenance of permanent way:—			
Renewal of running lines:—			
Wages			
Materials			
Engine power and wagon repairs			
Repair of running lines and sidings:—			
Wages			
Materials			
Engine power and wagon repairs:—			
Maintenance of signalling			
Maintenance of telegraphs			
Maintenance of stations and buildings:—			
Stations, depôts, and offices			
Engine sheds			
Carriage sheds			
Locomotive workshops			
Carriage workshops			
Wagon workshops			
Other buildings			
Total	£		

NOTE.—When any sum is transferred to or from a depreciation fund or suspense account, the net sum to be stated.

ABSTRACT B.—MAINTENANCE AND RENEWAL OF ROLLING STOCK.

(1.)—LOCOMOTIVES.

(For old form, see page 382.)

			Year 19 .
	£	s.	d.
Superintendence :—			
Salaries			
Office expenses			
Complete renewals :—			
Wages			
Materials			
Repairs and partial renewals :—			
Wages			
Materials			
Purchase of new locomotives			
Workshop expenses :—			
Repair and renewals of machinery and plant			
Other expenses			
Total	£		

(2.)—CARRIAGES.

(For old form, see page 383.)

	£	s.	d.
Superintendence :—			
Salaries			
Office expenses			
Complete renewals :—			
Wages			
Materials			
Repairs and partial renewals :—			
Wages			
Materials			
Purchase of new carriages			
Workshop expenses :—			
Repairs and renewals of machinery and plant			
Other expenses			
Total	£		

NOTE.—When any sum is transferred to or from a depreciation fund or suspense account, the net sum to be stated.

(3.)—WAGONS.

(For old form, see page 383.)

			Year 19 .
	£ s. d.	£ s. d.	£
Superintendence:—			
Salaries			
Office expenses			
Complete renewals:—			
Wages			
Materials			
Repairs and partial renewals:—			
Wages			
Materials			
Purchase of new wagons			
Workshop expenses:—			
Repairs and renewals of machinery and plant			
Other expenses			
Total	£		

NOTE.—When any sum is transferred to or from a depreciation fund or suspense account, the net sum to be stated.

ABSTRACT C.—LOCOMOTIVE RUNNING EXPENSES.

(For old form, see page 382.)

	£ s. d.	£ s. d.	£
Superintendence:—			
Salaries			
Office expenses			
Steam train working:—			
Wages connected with the running of locomotive engines			
Fuel			
Water			
Lubricants			
Other stores, including clothing			
Miscellaneous			
Electric train working:—			
Wages of motormen			
Electric current			
Lubricants			
Other stores, including clothing			
Total	£		

NOTE.—Any other form of power to be shown separately with corresponding details.

ABSTRACT D.—TRAFFIC EXPENSES.

(For old form, see page 385.)

			Year 19 .
	£ s. d.	£ s. d.	£
Salaries and wages:—			
Superintendence			
Stationmasters and clerks			
Signalmen and gatemen			
Ticket collectors, policemen, porters, &c.			
Guards			
Fuel, lighting, water, and general stores			
Clothing			
Printing, advertising, stationery, stamps, and tickets			
Wagon covers, &c.			
Expenses of joint stations and junctions			
Cleansing, lubricating, and lighting of vehicles			
Shunting expenses (other than mechanical)			
Working of stationary engines, hoists, cranes, &c.			
Coal, &c., tipping expenses			
Railway Clearing House expenses			
Miscellaneous expenses			
Total			

ABSTRACT E.—GENERAL CHARGES.

(For old form, see page 387.)

		Year 19 .
	£ s. d.	£
Directors' fees voted by shareholders		
Fees paid to and expenses of directors and joint committees not included in Abstract J.		
Auditors and public accountants (fees, clerkage, and expenses)		
Salaries of secretary, general manager, accountant, and clerks		
Office expenses, ditto		
Rating expenses		
Fire insurance		
Superannuation and benevolent funds, pensions, &c		
*Subscriptions and donations		
Miscellaneous expenses		
Total		

* Amounts contributed to institutions not directly controlled by the Company, and not for the exclusive benefit of the Company's servants.

ABSTRACT F.—EXPENSES OF COLLECTION AND DELIVERY OF PARCELS AND GOODS.

		Year 19 .
	£ s. d.	£
Salaries and wages		
Rent, rates, and taxes		
Maintenance of horses		
Maintenance of horse vehicles		
Maintenance of motors		
Amounts paid for hired cartage		
Miscellaneous		
Total		
Amount charged to passenger train traffic .		
Amount charged to goods traffic		

NOTE.—The division of expenditure to be based as far as possible on actual figures.

ABSTRACT G.—RUNNING POWERS.

RECEIPTS AND PAYMENTS IN RESPECT OF RUNNING POWER EXPENSES.

	Re- ceipts.*	Pay- ments.†	Balance.	Year 19 .		
				Re- ceipts.*	Pay- ments.†	Balance.
	£	£	£	£	£	£
Passenger train traffic .						
Goods train traffic .						
Total						

* Receipts are the sums received by a company in respect of trains run by it over the lines of other companies.

† Payments are the sums paid by a company in respect of trains run by other companies over its lines.

ABSTRACT H.—MILEAGE, DEMURRAGE, AND WAGON HIRE.

	Receipts.	Expenditure.	Balance.	Year 19 .		
				Receipts.	Expenditure.	Balance.
	£ s. d.	£ s. d.	£ s. d.	£	£	£
Mileage and demurrage:—						
Passenger train vehicles .						
Goods train vehicles .						
Hire of:						
Passenger train vehicles .						
Goods train vehicles .						
Total						

ABSTRACT J.—JOINTLY OWNED AND JOINTLY LEASED LINES.
RECEIPTS AND EXPENDITURE.

	Name of Joint Line.		Name of Joint line.		Name of Joint Line.		Total.		Year 19 .
									Total.
	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£ s. d.	£
Gross receipts: (Details to follow Statement No. 10).									
Total receipts									
Total receipts, Company's proportion.									
Expenditure: (Details to follow Statement No. 10).									
Total expenditure.									
Total expenditure, Company's proportion.									

NOTE.—In this abstract should be entered only the receipts and expenditure of jointly owned and jointly leased lines in respect of which the accounts are prepared by or for the Joint Committee, and are not embodied under their respective headings in the accounts of the parent companies.

NO. 11.—RECEIPTS AND EXPENDITURE IN RESPECT OF OMNIBUSES
AND OTHER PASSENGER VEHICLES NOT RUNNING ON THE RAILWAY.

*Dr.**Cr.*

To Expenditure.		Year 19 .	By Gross Receipts.		Year 19 .
	£ s. d.	£		£ s. d.	£
Maintenance of horses .			Passengers . . .		
Maintenance of horse vehicles.			Hire of vehicles . .		
Maintenance of motors			Miscellaneous . .		
Maintenance of build- ings.					
Traffic expenses . .					
Miscellaneous . .					
Total expenditure					
Balance . . .					
Total . . .			Total . .		

NOTE.—When any sum is transferred to or from a depreciation fund or suspense account, the net sum to be stated.

NO. 12.—RECEIPTS AND EXPENDITURE IN RESPECT OF STEAMBOATS

*Dr.**Cr.*

To Expenditure.		Year 19 .	By Gross Receipts.		Year 19 .
	£ s. d.	£		£ s. d.	£
Salaries and wages .			Passengers . . .		
Fuel			Parcels		
Stores, lubricants, water, &c.			Mails		
Repairs			Merchandise . .		
Harbour fees and light dues.			Live Stock . .		
Miscellaneous . .			Miscellaneous . .		
Working expenses .					
Depreciation and in- surance.					
Total expenditure					
Balance . . .					
Total . . .			Total . .		

No. 13.—RECEIPTS AND EXPENDITURE IN RESPECT OF CANALS.

*Dr.**Cr.*

To Expenditure.		Year 19 .	By Gross Receipts.		Year 19 .
	£ s. d.	£		£ s. d.	£
Superintendence . . .			Tolls		
Wages of toll clerks, lock-keepers, &c.			Freight as carriers . .		
Maintenance of canal .			Canal dock dues . . .		
Water supply			Wharfage and crannage		
Auxiliary tramway ex- penses.			Rents (net receipts) . .		
Traffic expenses as carriers.			Miscellaneous		
Rates					
Taxes					
Miscellaneous					
Total expenditure					
Balance					
Total			Total		

No. 14.—RECEIPTS AND EXPENDITURE IN RESPECT OF DOCKS,
HARBOURS, AND WHARVES.*Dr.**Cr.*

To Expenditure.		Year 19 .	By Gross Receipts.		Year 19 .
	£ s. d.	£		£ s. d.	£
Superintendence . . .			Harbour dues		
Maintenance			Light dues		
Dredging			Dock dues:—		
Wages not included in above.			On ships		
Rates			On goods		
Taxes			On passengers		
Miscellaneous			Wharf and pier dues .		
Total expenditure			Crannage and other services.		
Balance			Graving docks		
Total			Rents		
			Miscellaneous		
			Total		

NOTE.—When any sum is transferred to or from a depreciation fund or suspense account, the net sum to be stated.

NO. 15.—RECEIPTS AND EXPENDITURE IN RESPECT OF HOTELS, AND
OF REFRESHMENT ROOMS AND CARS WHERE CATERING IS
CARRIED ON BY THE COMPANY.

*Dr.**Cr.*

To Expenditure.		Year 19 .	By Gross Receipts.		Year 19 .
	£ s. d.				
Salaries and wages .			Total receipts from		
Provisions, wines, and			hotels and from sale		
spirits consumed.			of provisions, &c., in		
*Repairs and mainten-			refreshment rooms		
ance of hotels and re-			and cars.		
freshment rooms, and					
of fittings, furniture,					
&c., of refreshment					
cars.					
Heating and lighting of					
hotels and refresh-					
ment rooms.					
Rents					
Rates in respect of					
hotels.					
Taxes in respect of					
hotels.					
Miscellaneous . . .					
Total expenditure .					
Balance . . .					
Total . . .			Total . . .		

NOTE.—When any sum is transferred to or from a depreciation fund or suspense account, the net sum to be stated.

* To include in the case of hotels and refreshment rooms expenditure on buildings, furniture, and plant.

NO. 16.—RECEIPTS AND EXPENDITURE IN RESPECT OF OTHER
SEPARATE BUSINESSES CARRIED ON BY THE COMPANY.

NO. 17.—ELECTRIC POWER AND LIGHT ACCOUNT.

			Year 19 .				Year 19 .
	£ s. d.	£ s. d.	£		Number of Units.	£ s. d.	Number of Units.
Superintendence :							
Salaries . . .							
Office expenses .							
Total Superin- tendence.							
Generation :				Current supplied :			
Maintenance of buildings.				For traction .			
Maintenance of plant, machi- nery, and tools.				„ power .			
Maintenance of feeders, cables, and accessories.				„ lighting .			
Salaries and wages.				To other con- sumers.			
Fuel, including carriage, &c.							
Oil, waste, water, and stores.							
Special items .							
Total genera- tion.							
Distribution :							
Maintenance of feeders, mains, and apparatus.							
Maintenance of meters, swit- ches, fuses, lamps, &c.							
Salaries and wages.							
Royalties, &c., payable for use of patents.							
Rents payable .							
Rates . . .							
Taxes . . .							
Special charges : (To be enume- rated).							
£				Total .			

NOTE.—When any sum is transferred to or from a depreciation fund or suspense account, the net sum to be stated.

No. 18.—GENERAL BALANCE SHEET.

(For old form, see page 413.)

Dr.

Cr.

		Year 19 .			Year 19 .
	£ s. d.	£		£ s. d.	£
To capital account, balance at credit thereof, as per Account No. 4.			By capital account, balance at debit thereof as per Account No. 4.		
Amount due to bankers .				£ s. d.	
Temporary loans and calls paid in advance.			Cash at bankers and in hand.		
Lloyd's bonds			Cash on deposit at interest.		
Unpaid interest and dividends.					
Interest and dividends payable or accruing and provided for.			Investments in Consols and Government securities.		
Amount due to railway companies and committees.			Investments in stocks and shares held by the Company, not charged as capital expenditure.		
Amount due to railway clearing houses.			Investment of superannuation and other provident funds.		
Savings bank			Stock of stores and materials.		
Superannuation and other provident funds.			Outstanding traffic accounts.		
Accounts payable . . .			Amount due by railway companies and committees.		
Liabilities accrued . .			Amount due by railway clearing houses.		
Miscellaneous accounts .			Amount due by Postmaster-General.		
Special items (to be detailed).			Accounts receivable .		
Fire insurance fund . .					
Depreciation funds :—			Miscellaneous accounts		
Railway			Suspense accounts (if any) to be enumerated.		
Steamboats (including insurance fund).			Special items (to be detailed).		
Other businesses . .					
General reserve fund . .					
£ s. d.					
Balance available for dividends and reserve as per Account No. 9.					
Less interim dividends paid as per Statement No. 9 (a).					

(A.)—MILEAGE OF LINES OPEN FOR TRAFFIC—*continued.*

[illegible]

(B).—MILEAGE OF LINES AUTHORISED BUT NOT OPEN FOR TRAFFIC.

	Miles authorised.		Miles constructed and not open for Traffic.		Miles under Construction.		Miles not commenced, or in abeyance.	
	Length of Road.	M. Ch.	Length of Road.	M. Ch.	Length (including Sidings) reduced to Single Track.	M. Ch.	Length of Road.	M. Ch.
Lines owned by the Company:—								
New lines:								
(Details)								
Total								
<i>Ditto, year 19</i>								
Widenings and additions:								
(Details)								
Total								
<i>Ditto, year 19</i>								
Joint Lines (Company's Share of Ownership):—								
New Lines								
<i>Ditto, year 19</i>								
Widenings and additions								
<i>Ditto, year 19</i>								

(C).—MILEAGE OF LINES RUN OVER BY THE COMPANY'S ENGINES.

	M. Ch.	Year 19 . M. Ch.
Lines owned by the company		
„ partly owned		
„ leased, or worked by the company		
„ leased, or worked jointly		
„ over which the company exercises running powers		
Total		

II.—ROLLING STOCK.

(For old Form of Return of Working Stock, see page 410.)

(A).—STEAM LOCOMOTIVES AND TENDERS.

		Year 19 .
Description.	Number.	Number.
Tender engines :— (Wheel types to be stated)		
Tank engines :— (Wheel types to be stated)		
Tenders		

(B).—RAIL MOTOR VEHICLES.

			Year 19 .	
	Number.	Carrying Capacity.	Number.	Carrying Capacity.
		Seats.		Seats.
Steam power				
Petrol power				
Other power (self-contained)				
Total				

(C).—TRAINS WORKED BY ELECTRIC POWER.

			Year 19 .	
	Number.	Carrying Capacity.	Number.	Carrying Capacity.
		Seats.		Seats.
Details to be filled in, as instructed by the Board of Trade from time to time, by individual companies with regard to the various systems in use				

(D).—COACHING VEHICLES (OTHER THAN ELECTRIC).

	Number.	Seats or Berths.				Year 19 .	
		1st Class.	2nd Class.	3rd Class.	Total.	Number	Seats or Berths. Total.
PASSENGER CARRIAGES.							
Carriages of uniform class							
Composite carriages . . .							
Restaurant cars . . .							
Miscellaneous . . .							
Total . . .							
Sleeping							
Total passenger carriages							
OTHER COACHING VEHICLES.							
Post Office vans . . .							
Luggage, parcel and brake vans							
Carriage trucks . . .							
Horse boxes . . .							
Miscellaneous . . .							
Total other coaching vehicles . . .							
Total coaching vehicles							

(E).—MERCHANDISE AND MINERAL VEHICLES.

	Number.	Year 19 .
		Number.
Open wagons :		
Under 8 tons		
8 and up to 12 tons		
Over 12 and up to 20 tons		
Over 20 tons (other than special)		
Covered wagons :		
Under 8 tons		
8 and up to 12 tons		
Over 12 and up to 20 tons		
Over 20 tons		
Mineral wagons (to be shown by companies owning separate mineral stock) :		
Under 8 tons		
8 and up to 12 tons		
Over 12 and up to 20 tons		
Over 20 tons		
Special wagons (for loads of exceptional dimensions and weight)		
Cattle trucks		
Rail and timber trucks (including twin trucks)		
Brake vans		
Miscellaneous		
Total		

(F).—RAILWAY SERVICE VEHICLES, AND HORSES FOR SHUNTING.

	Number.	Year 19 .
		Number.
Gasholder trucks		
Locomotive coal wagons		
Ballast wagons		
Mess and tool vans		
Breakdown cranes		
Travelling cranes		
Miscellaneous		
Total		
Horses for shunting		

III.—HORSES AND ROAD VEHICLES EMPLOYED IN THE
COLLECTION AND DELIVERY OF PARCELS, GOODS,
AND PASSENGERS.

	Number.	Year 19 .
		Number.
GOODS AND PARCELS ROAD VEHICLES—		
Road motors for goods and parcels		
Horse wagons and carts		
Miscellaneous		
Total		
PASSENGER ROAD VEHICLES—		
Road motors		
Tramcars		
Omnibuses		
Cabs		
Miscellaneous		
Total		
HORSES FOR ROAD VEHICLES		

IV.—STEAMBOATS.

	Date of Construction.	Indicated Horse-Power.	Registered Tonnage.
Steamboats over 250 tons net . . . (Name of each to be given.)			Tons.
Total	Number.		
Do. Year 19			
	Number.	Total Horse-Power.	Total Registered Tonnage.
Steamboats of 250 tons net and under .			
Grand Total			
Do. Year 19			

V.—CANALS.

Name.	Length in Miles.
Total Length	

VI.—DOCKS, HARBOURS, AND WHARVES.

Name.	Length of Quay.

VII.—HOTELS.

Name.	Situation.

VIII.—LAND, PROPERTY, &C., NOT FORMING PART OF THE
RAILWAY OR STATIONS.

Land.	Acreage.	Year 19 .
		<i>Acreage.</i>
Agricultural land		
Urban and suburban land		

Houses.	Number.	Year 19 .
		<i>Number.</i>
Labouring-class dwellings		
Houses and cottages for companies' servants		
Other houses and cottages		

IX.—OTHER INDUSTRIES (IF ANY).

[THE FORM TO BE IN THE DISCRETION OF THE COMPANY.]

X.—MAINTENANCE AND RENEWAL OF WAY AND WORKS
(ABSTRACT A).

		Year 19 .
Quantities of principal materials used:—		
Ballast	Yards	<i>Yards</i>
Fencing	Miles	<i>Miles</i>
Rails	Tons	<i>Tons</i>
Sleepers	No.	<i>No.</i>
Miles maintained:—		
Miles of road	No.	<i>No.</i>
Miles of road reduced to single track—		
(a) Running lines	No.	<i>No.</i>
(b) Sidings	No.	<i>No.</i>
Miles of track renewed	No.	<i>No.</i>

XI.—MAINTENANCE AND RENEWAL OF ROLLING STOCK
(ABSTRACT B).

	In Com- pany's Work- shops.	By Con- tract.	Total.	Year 19 . <hr/> Total.
Locomotives renewed Number				
Locomotives repaired :				
Heavy repairs "				
Light " "				
Locomotives under or awaiting repair at end of year * . . .				
Rail motor and electric :				
Train vehicles, &c., renewed . . "				
Train vehicles, &c., repaired :				
Heavy repairs "				
Light " "				
Train vehicles, &c., under or awaiting repair at end of year * "				
Coaching vehicles :				
(a) Carriages renewed "				
Carriages repaired :				
Heavy repairs "				
Light " "				
Carriages under or await- ing repair at end of year * .				
(b) Others renewed "				
Others repaired :				
Heavy repairs "				
Light " "				
Others under or awaiting repair at end of year * .				
Wagons renewed "				
Wagons repaired :				
Heavy repairs "				
Light " "				
Wagons under or awaiting repair at end of year.*				

* Total only to be shown.



XII.—ENGINE MILEAGE.

(For old form, see page 414).

	Year 19 .											
	Train Miles. (Loaded Trains.)			Train Miles. (Including Empty Trains run for Traffic Purposes on either the Forward or Return Journey.)			Shunt- ing Miles.			Other Miles. (Assisting, Light, &c.)		
	Coach- ing.	Goods.	Total.	Coach- ing.	Goods.	Total.	Coach- ing.	Goods.	Total.	Coach- ing.	Goods.	Total.
A MILES RUN IN RELATION TO THE COMPANY'S TRAFFIC RECEIPTS— Over the company's system by the company's engines* . . . Over the company's system by other companies' engines† . . . Add company's proportion (according to ownership) of miles run on joint account over joint lines not included in Abstract J. . . Total												
B MILES RUN IN RELATION TO THE COMPANY'S EXPENDITURE— By the company's engines over lines owned, leased, or worked by the company By the company's engines over other companies' lines Add company's proportion (according to ownership) of miles run on joint account over joint lines not included in Abstract J. . . Total												
C MILES RUN BY THE COMPANY'S ENGINES— Over lines owned, leased, or worked by the company . . . Over all joint lines Over other companies' lines Total												

* To include miles run by the company's engines over joint lines or other companies' lines in cases where no toll is paid or where the payment made is not based upon a proportion of the gross receipts.

† To exclude miles run by such companies in cases where no toll is received and where the payment received for the use of the line is not based upon a proportion of the gross receipts.

NOTE.—Miles run by (1) Steam tender and rail engines; (2) Electric traction; (3) Steam patrol &c. rail motors to be given in a supplementary statement as

XIII.—PASSENGER TRAFFIC AND RECEIPTS.

Class of Passenger.	Number.	Receipts.	Average Fare per Passenger.	Number originating on the Company's System.	Year 19 .			
					Number.	Receipts.	Average Fare per Passenger.	Number originating on the Company's System.
Ordinary :		£	d.			£	d.	
1st Class . .								
2nd „ . .								
3rd „ . .								
Workmen *								
Total . .								
Season : †								
1st Class . .								
2nd „ . .								
3rd „ . .								

* To be calculated on a single journey basis. † To be calculated on an annual basis.

NOTE.—Receipts in column 2 to be the receipts from passengers as given in Account No. 10 ; the number of passengers in column 1 to be the number corresponding thereto.

XIV.—GOODS TRAFFIC AND RECEIPTS.

	Tonnage.	Receipts.	Average Receipt per Ton.	Tonnage originating on the Company's System.	Year 19 .			
					Tonnage.	Receipts.	Average Receipt per Ton.	Tonnage originating on the Company's System.
Merchandise . .	Tons.	£	d.	Tons.	Tons.	£	d.	Tons.
Coal, coke, and patent fuel . .								
Other minerals . .								
Total . .								
	Number.			Number originating on the Company's System.	Number.			Number originating on the Company's System.
Live stock . .								

NOTE.—Receipts in column 2 to be the goods train receipts as given in account No. 10 ; the tonnage in column 1 to be the tonnage corresponding thereto.

XV. (A).—TONNAGE OF THE PRINCIPAL CLASSES OF MINERALS AND MERCHANDISE CARRIED BY GOODS TRAINS.

[The Tonnage of the principal Articles of Traffic originating on each Railway Company's System to be separately stated ; the principal articles of traffic to be agreed in the case of each Company with the Board of Trade. Consignments of less than two tons may be omitted, but in that case the fact that they are omitted must be stated.]

XV. (B).—NUMBER OF LIVE STOCK CARRIED BY GOODS TRAINS.

	Number.	Year 19 .
		Number.
Horses		
Cattle		
Calves		
Sheep		
Pigs		
Miscellaneous		
Total		

XVI.—SUMMARY OF FINANCIAL RESULTS SECURED IN COMPARISON WITH THOSE FOR PAST YEARS.

NOTE.—Not to be made retrospective, but to be extended year by year until 10 years are given.

	19 .	19 .	19 .	19 .
	£	£	£	£
Total expenditure on capital account (No. 4) . . .				
Gross receipts from businesses carried on by the company (No. 8)				
Revenue expenditure on ditto (No. 8)				
Net receipts of ditto (No. 8)				
Miscellaneous receipts net (No. 8)				
Total net income (No. 8)				
Interest, rentals, and other fixed charges (No. 9) . .				
Dividends on guaranteed and preference stocks (No. 9)				
Balance after payment of preference dividends (No. 9)				
Dividend on ordinary stock (No. 9)				
Rate per cent.	%	%	%	%
Surplus or deficit				
Appropriation to or from reserve				
Brought forward from previous years				
Carried forward to subsequent years				

(Signed) _____ Accountant of the Company.

CERTIFICATES OF THE RESPONSIBLE OFFICERS AS TO THE UPKEEP
OF THE WHOLE OF THE COMPANIES' PROPERTY.

(Signed for the Board
of Directors) { Chairman or Deputy Chairman of the Company.
Secretary of the Company.

AUDITOR'S CERTIFICATE.

*As prescribed by Act 30 & 31 Victoria, Cap. 127, to follow, substituting
Yearly for Half-Yearly Accounts.*

INDEX.

MAP.

NOTE.—This should be explanatory of the Railway System.

SECOND SCHEDULE.

ENACTMENTS REPEALED.

Session and Chapter.	Short Title.	Extent of Repeal.
29 & 30 Vict. c. 108.	The Railway Companies Securities Act, 1866.	Section three to thirteen; the words "registered" and "account or statement" in section sixteen; the words "account, statement or" in sections eighteen and nineteen; the First Schedule; the word "registered" (wherever it occurs); and the words "there stated as" and "and registered officer" and the first paragraph of the note in the Second Schedule.
31 & 32 Vict. c. 119.	The Regulation of Railways Act, 1868.	Sections three, four, and five.

INDEX TO SUBJECTS.

NOTE.—This Index has been specially compiled to facilitate reference (1) to subjects in each department or office; and (2) from one department or office to another.

Figures preceded by letters refer to the same subject in other sections of the work.

Thus: “S” stands for “Secretary’s Department.”

“A” stands for “Audit Offices” (Accountant’s Department).

“L” stands for “Station Ledger Office” (Accountant’s Department).

“B” stands for “Book-keeper’s Office” (Accountant’s Department).

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THE AUDIT OF RAILWAY ACCOUNTS.

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I

In our issue of May 30th we referred to Mr. J. Alfred Fisher's recently published work on "Railway Accounts and Finance." The more we look into it the more we are impressed with the magnitude of the interests involved and the responsibilities of railway and professional accountants, in so far as the latter may have to do with the Audit of Railway Accounts. This at once becomes apparent when it is mentioned that the annual revenue of the railways of the United Kingdom amounts to the enormous sum of eighty millions sterling. But even this sum does not represent the total of the figures which railway accountants and auditors have to check. It gives only one side of the account. Practically, the whole of it is disbursed, either in working and other expenses, interest, or dividends. By far the greater portion of this income and expenditure is made up of small items, which is made manifest in almost every section of Mr. Fisher's book, and particularly in those sections dealing with expenditure. He shows the vast importance of careful attention to matters of detail in every department of railway finance.

This is proved by the fact that, if such a thing were possible under the elaborate system described by Mr. Fisher, filtration in connection with receipts and expenses to the extent of only one penny in the pound, would mean an annual loss of no less than six hundred thousand pounds to railway proprietors, probably affecting market values of railway stocks to the extent of fifteen millions sterling.

In these remarks we have referred only to revenue. Auditors are alike concerned with the receipts and expenditure on Capital Account, which a reference to the Board of Trade returns shows to have amounted during the past ten years to over one hundred and fifty millions, or, say, fifteen millions per annum, to that the total of the receipts and payments in connection with our home railways, the correctness of which the accountant's profession have to vouch, is something like one hundred and ninety millions sterling per annum. Indeed, this is not all; for we have not taken into consideration the immense revenues of railways in other parts of the British Empire, and elsewhere, controlled by British capitalists and audited by British accountants.

No apology, therefore, is necessary for returning to a subject in which we feel sure many professional men take a deep interest, and it is our intention to briefly notice in a few short articles the methods of audit described in Mr. Fisher's work and to enquire into the nature and extent of the duties and responsibilities of professional auditors appointed by shareholders for the protection of their interests.

In doing this it will not be possible for us to do more than give a mere outline of the system described by Mr. Fisher, or to illustrate any of the books or forms in use. We shall simply use his work as a text book, and refer any of our readers thereto who may desire fuller information on any point touched upon.

We have already pointed out that, in the audit of a Railway

Company's Accounts, it would be a physical impossibility for a Chartered Accountant to check every transaction. It may be interesting, therefore, to endeavour to ascertain to what points the responsibility for the correctness of detail rests exclusively with the railway accountant, and—without drawing a too hard and fast line—to indicate the matters which, in order that a thoroughly independent and efficient audit may be effected, should receive the attention of a professional auditor.

The duties and responsibilities of a first-class railway accountant are, without doubt, of a varied and onerous nature, and are clearly defined by Mr. Fisher. In order that he may fully discharge the functions of his office, it is necessary that he should not only have control of all matters of account in his own particular department, but that he should be invested by his board of directors with such powers as may enable him to exercise a detailed check upon the accounts and returns of every department of the railway with which he is connected. It is not necessary or desirable that he should have the actual handling of cash. This is a matter which should rest with the secretary or treasurer, and the heads of the traffic departments. All accounts for collection by these officials, in respect of which credit is given, as, for instance, Goods Carriage Accounts, and the numerous miscellaneous bills for “sales of old materials and stores, construction and maintenance of private sidings, repairs of working stock, &c.” should be entered and sent out to the public by the accountant. He should also take note of cash received, and “keep watch” on outstanding items (taking care that these are not lost sight of by the departments responsible for their collection), and make special enquiry as to any that may get into arrear, laying statements from time to time before the directors on these matters. In this way a constant and independent check is secured, and “high pressure”—so necessary in

transactions of such magnitude—constantly enforced in this department of finance.

We have here referred only to the accountant's control over "Credit" Accounts. Let us now briefly allude to the tens of thousands of items paid to booking clerks, station-masters, agents, and others, by passengers, and senders and receivers of parcels and all kinds of merchandise for which credit is not given, but which must be paid at the time of booking or on delivery. These transactions may be classed under two heads: (1) those in which tickets are issued; (2) those in which a receipt only for the charge for carriage may, or may not, be given. Now it is quite clear that in both of these cases there must be effective checks. These, again, are exercised by the railway accountant, who under a well-regulated system should have absolute control over all tickets issued to the staff for sale. The ticket printing establishment should be a branch of the accountant's department. Every ticket printed should be numbered consecutively and registered by him before being sent to the issuing (or "traffic") departments. It then becomes an important function of the accountant and staff to see that the right amount of cash is remitted for all tickets sold (or issued), and that the stocks of tickets on hand at the various stations are correct and in their proper numerical order. It might be asked, "But what is to prevent the printing and issue of fraudulent duplicates? Railway tickets are ordinary bits of cardboard without any secret or mysterious marks upon them, and are printed in a very common-place way." The accountant again steps in. All tickets surrendered at the end of the journey are sorted in station and numerical order, and sent to him daily. His staff carefully examine them. If any numbers are missing, they are enquired about. If, on the other hand, any fraudulent duplicates were found—a most unusual occurrence—the company's detective department would

be immediately set to work. It might be said, however, that issuers of fraudulent duplicates might be in collusion with ticket collectors at destination stations, and that they might so arrange matters that the duplicates should not come under the accountant's scrutiny, and then divide the spoil. But this would be a dangerous proceeding. Ticket collectors and even booking clerks are changed at frequent and uncertain intervals. Travelling ticket inspectors examine and collect tickets at various places on the route; sometimes stopping trains—as suburban passengers may have noticed—at places where they are not booked to stop, for this purpose. Systematic frauds could not, therefore, long remain undetected. In thousands of cases, as we all know, the amounts represented by tickets issued, such as blank passenger tickets, also tickets for excess fares, excess luggage, &c., are filled in by the booking clerk or ticket collector. The question then arises, what check is there that the right amount is taken to debit? The answer is simple: there is, first, the passenger himself, who for his own protection will see that the amount paid corresponds with that entered on the ticket issued to him; secondly, the station at which tickets are collected, as well as the audit department, will see as far as practicable, that the charges entered are correct; and the latter will then compare them with the amounts taken to debit in the station returns.

It may still be replied, "This is all very well, but what about those tickets (or 'receipts') which are *not* collected, such as for excess fares paid by passengers on arrival at their destination station? What is to prevent the collector from entering the *correct* amount on the part issued to the passenger, and a *smaller* amount in his counterfoil and returns to the accountant?" Well, this might be done; but, so far as we can see, it would be very risky. As we have pointed out, ticket collectors are changed, and travelling inspectors are always on the move. They do not know the passengers, in the

majority of cases, from whom "excess" is collected. If there was the slightest suspicion that anything was going wrong, or even if there was not, nothing would be easier than for some unknown person to be deputed to test the point by first paying the excess and then seeing, in conjunction with the accountant, that it was correctly entered; and, knowing this, as collectors do, probably the cases are rare where fraud of this kind is practised.

II.

Coming now to the second class of transactions, *viz.*, those in which a receipt only for the charge for carriage may, or may not, be given (we refer to senders and receivers of parcels and all kinds of merchandise by passenger or goods trains for which credit is not given, who pay the carriage at the time of booking or on delivery); here the companies, for their first line of defence against fraud, must rely largely on the public themselves. Rates are freely published and are easily accessible. Nothing is easier than for a person sending or receiving a parcel by passenger train, for instance, to ascertain for himself the correct charge. He is, moreover, entitled to a receipt for what he pays. Assuming, however, that not caring about so trifling a matter as twopence or sixpence more or less, he pays his shilling on the parcel to be forwarded, and hurries off without question, or even a receipt; then in case of overcharge, the amount paid might be entered by the forwarding clerk as eightpence, leaving fourpence to the good! Here, again, however, the fear of detection may come in. If, through continuance of petty fraud, conscience has more or less ceased to alarm, the very security felt becomes the source of greatest danger.

Parcels may miscarry, or, through being imperfectly addressed, remain on hand at destination station, thus necessitating enquiries. The correspondence clerk at the destination station writes to the forwarding station something as follows: "Parcel addressed——, entered on way-bill, dated——instant; eightpence paid, wrongly addressed. Consignee cannot be found; send instructions." It may then devolve on the correspondence clerk at the forwarding station to communicate with the sender. In doing so the charge for carriage may be mentioned, and the fraud is thus exposed. In many other ways it might at some unexpected moment be found out. The same consignor might, for example, have occasion, a little later on, to send a similar parcel to the same place. The dishonest clerk may have been removed, or his duties changed. His successor makes the correct charge of eightpence, and the previous payment of a shilling being fresh in the sender's memory, the latter points out the overcharge, which results in enquiries being made and the offender brought to book. In this connection reference has been made to a "way-bill." It may therefore be desirable to explain here that this is a document which accompanies parcels sent by passenger train. It is prepared at the forwarding station, and gives the particulars of train, destination, address, and the charge for carriage. For the latter there are two money columns, one for amounts "paid" at the forwarding station, and the other for amounts "to pay" (or to collect) at the destination station. There are also two other money columns, viz., one for amounts "paid on" (or paid out) at the forwarding station—possibly for carriage from some other place—and another for the "rate," or additional charge to destination. These items are then added together and the total amount entered in the "to pay" column for collection from the consignee. The same particulars are given on "invoices" of goods sent by luggage train. It is a duty of the clerks

at the receiving stations in all cases to check the charges entered, and to point out any mistake to the forwarding station, the difference being collected or refunded.

Copies of all way-bills or invoices sent out are kept at the forwarding station and the amounts thereof—"paid," "to pay," and "paid on"—entered in monthly returns for the accountant, and summarised.

It is likewise the duty of all stations receiving way-bills or invoices to abstract and summarise them, and render separate returns to the accountant.

The returns and charges in connection with "forwarded" parcels or goods from one station are then compared by the accountant's audit department with the returns and charges in respect of "received" parcels and goods at another; discrepancies between them being investigated and corrected in a subsequent return. In cases where parcels, etc., are booked through by one company to the stations of another company the returns of this description of traffic (technically termed "foreign") are rendered by each company to, and are compared by, the Railway Clearing House.

Here, then, by independent check and comparison, we have the second, or main line of defence against fraud in connection with the second class of transactions.

The third line of defence comes in when at irregular intervals travelling auditors personally visit the stations, and without notice, compare cash, accounts, tickets, etc., and institute such other checks as experience may suggest. It may, of course, as we have intimated, be possible for filtrations to take place, but it seems tolerably clear that these would sooner or later be discovered and exposed.

Without going into unnecessary detail, we have now shown broadly the principles of check adopted so far as station traffic receipts are concerned.

The monthly returns to the accountant may be briefly described as follows:

First, as to Passengers.—Tickets issued during the month are entered in what is termed a “classification.” This is fully described at page 49 of Mr. Fisher’s book. All stations for which tickets have been supplied are included in this return, and after the departure of the last train in each month the numbers of the next tickets to issue—termed the “closing” numbers—in each denomination and class are taken down; the “commencing” numbers (which are, in fact, the “closing” numbers of the preceding month) having been previously inserted. It then becomes an easy matter to ascertain, by deducting the one from the other, the number of tickets sold for each station and class during the month. The quantities, fares, and amounts are then inserted, also particulars of excess fares collected. Grand totals are then made, and these constitute the debit against the station in respect of passengers.

The amount of the debit for parcels, carriages, horses, etc., conveyed by passenger trains is then ascertained. This is done by “abstracting” the daily amounts entered in the “way-bills.” A separate abstract is made out for each station to or from which parcels have been sent or received, and the totals thereof carried to monthly summaries. These being added up show the totals of the amounts entered as “paid,” “to pay,” and “paid on,” in respect of parcels, etc., forwarded to and received from other stations. The amounts which constitute the debit against the station, viz., the “paid” items on parcels despatched and the “to pay” items on parcels received, are then added together, and the sum thereof, “less paid ons” in respect of forwarded parcels, added to the total previously ascertained for passengers. In this way the gross debit against each station in respect of “coaching” traffic is arrived at.

Invoices of goods traffic are dealt with in a similar way to

way-bills of parcel traffic. They are "abstracted" and "summarised," the totals of the summaries which affect the debit of the station being entered in what is termed the monthly "summary of totals" and "debit list," illustrated on pages 114 and 116 of the text book.

A cash balance-sheet is then prepared, showing on the one hand the totals of the debits, and on the other, the credits for cash collected, allowances, overcharges, etc.; the difference being the cash balance outstanding against the station, which is carried to the debit of the next month's account.

With regard to mineral traffic, such as coal, coke and lime, conveyed by mineral trains, station agents do not assess the charges. They simply furnish the traffic manager with abstracts and summaries of the *weights*; giving, of course, the names of the senders and destination of the wagons. It then rests with the traffic manager to check these returns and to prepare the monthly "toll" accounts. These are summarised by him in what is known as the "mineral debit list," which is then certified and sent to the accountant, who compares the entries with the toll accounts and sends the latter to the public, the general manager being advised of the amounts so that he may look after their collection.

The correctness of these various returns of coaching, goods, and mineral traffic is certified by the station-masters or agents in charge, and in the case of the mineral debit list, by the traffic manager, before being sent to the accountant.

The responsibility of "proving" their accuracy then devolves upon the latter. He does this, as we have seen, by comparing the returns of "forwarded" traffic of one station with the returns of "received" traffic at another; and where, as in the case of "foreign" (or through) bookings, returns from both stations do not reach him, he has the assistance of the Railway Clearing House, which checks all traffic of this

nature and apportions to each company their respective shares of the receipts. Classifications of passenger bookings are examined in every detail and compared with tickets collected, and after ascertaining that the debits are correct for each description of traffic, the credits for cash remitted to Bank, etc., are examined. It is seen that proper receipts have been obtained for amounts entered on invoices and way-bills as "paid on," and that credits for allowances, overcharges, etc., have been properly vouched. The travelling auditors who visit the stations, check the accounts thereat, comparing them, as far as necessary, with the statements rendered to the accountant. They see that the tickets unissued or in stock correspond with the returns, that "outstandings" and cash balances are correct, and so on.

III.

Before enquiring into the duties of the professional auditor in connection with the matters dealt with in our previous articles, we may briefly allude to the working and other expenses. Neither station-masters, agents, or clerks at stations are permitted to make payments out of cash collected. Setting aside some authorised exceptions to this rule, all money received must be transmitted by them daily to the chief cashier of the district, by whom it is paid to the company's bankers. The exceptions refer to items paid out (under the regulations) on parcels or goods; or overcharges refunded by authority, and entered on way-bills or invoices as "paid on." These items are taken credit for (as we have observed) in the monthly returns, the net amount of which, or that portion thereof representing the "debit" (or cash collected), should correspond with the cash remitted to bank.

Now, although station-masters and agents are not permitted

to make payments out of cash received, other than those here mentioned, much depends upon them in connection with the control of expenditure. They must, for instance, keep proper records of the time and pay of the staff at their stations. Much also may be saved or lost by a careful or loose surveillance of the consumption of stores required for use at stations which are supplied upon requisition by the company's general stores (or purchasing) department.

At important stations, however, it is necessary for the agents in many cases not only to make purchases of miscellaneous stores and to pay for the same, but also to engage and discharge extra assistance as may be required by the exigencies of traffic. For these purposes he is provided with a floating cash balance out of which the amounts are paid, the receipts being sent—together with a proper certificate—to head-quarters, where the accounts are examined and a cheque drawn to replenish his balance.

As it is impossible for the agents at stations like Manchester, Birmingham, or London to go *seriatim* through items of this kind—although the primary responsibility for the correctness of accounts paid rests upon them—it may be urged that overcharges either for wages or stores might be made by subordinates. But some security in this case seems to be afforded by the fact that, as a receipt must be obtained for every payment made, *two* persons at least must be concerned in a fraudulent transaction, *viz.*, the payer and the receiver. Then, again, the average cost of working traffic at important stations can now be so closely ascertained that any unexplained increase would lead to inquiry.

In addition to the wages and small accounts to which we have referred, there are, of course, many other accounts in connection with the traffic department of a railway the correctness of which can only be certified by the agent at the station where the services are performed. We refer to

such accounts as those for shoeing of horses; repairs of harness, vans, etc.; horse medicine; veterinary surgeon's services, etc., etc.: and, in order that there may be no overcharge, the agent is expected to keep proper records of work done, and to mark these off, as accounts are certified for payment.

Mr. Fisher divides Railway Expenditure under five principal heads, *viz.*:—

(1) *Stores Department*.—Embracing accounts for the purchase of coal, coke, rails, chairs, sleepers, and other requisites for the railway. The “stores” is fairly described, therefore, as the “commercial arm of the railway service,” as all general stores required by the various departments are purchased by the stores superintendent.

(2) *Way and Works Department*.—The accounts passed by this department are for salaries, wages, and payments due to contractors and others for painting, repairs or renewals of stations, bridges, signals, or other works, and for the construction of new lines and works.

(3) *Locomotive and Carriage and Wagon Department*.—The expenditure of this department embraces all salaries, wages, and materials in connection with the engines, carriages and wagons, and other working stock and machinery of the company.

(4) *Traffic Department*.—Including salaries and wages of those who are engaged in working the traffic, *viz.*, superintendents, station-masters, agents, inspectors, signalmen, guards, porters, and others. The expenses also include, as we have observed, numerous accounts certified by agents and station-masters, general stores purchased by the stores department, etc., etc.

(5) *General charges, rates and taxes, etc.*—Include directors' fees, salaries of the general staff, advertising, and other general expenses.

Now, it will be seen that all expenditure may be classed under two general heads: (1) Salaries and wages; (2) Tradesmen's and other accounts. The checking and control of this expenditure must of necessity rest with the directors and heads of the departments concerned. It is for them to see, before salaries, wages, or accounts are paid, that the same are due and are properly certified. It is for the company's accountant to institute such additional checks as may be considered necessary, and to record the items before payment may be made by the secretary, as it is clear that the professional auditor could not go into the details we have referred to, either in connection with revenue or expenditure; nor is it necessary that he should do so in order that he may give his signature to the following certificate, as prescribed by Act 30 and 31 Vict., cap. 127: "We hereby certify that the foregoing accounts contain a full and true statement of the financial condition of the company, and that the dividends proposed to be declared on the stocks and shares of the company are *bona fide* due thereon, after charging the revenue of the half-year with all expenses which in our judgment ought to be paid thereout." Responsibility does not rest with him, but with the railway accountant, for the correctness of certified returns of traffic furnished by stations. The verification of these returns occupies the time of a large staff of clerks, inspectors, and travelling auditors attached to the railway accountant's department and the railway clearing house.

Neither could it be regarded as the professional auditor's duty to enquire whether the charges in tradesmen's and other accounts certified for payment are correct, fair, or reasonable. These are matters for the administration. But there can be no question that his responsibility commences with these certified accounts and returns of traffic, and it is clearly a

part of his duty to see that they are correctly summarised and recorded in the books and published accounts and balance-sheet of the company.

IV.

Taking, then, these and other certified accounts and returns—to which we shall presently refer—as the basis of operations, the attention of the professional auditor will be mainly directed to the following matters :—

1. Traffic or Revenue earnings and charges thereon.
2. Cash or drafts received on account thereof, and traffic outstandings.
3. Banking and Drawing Accounts.
4. Capital and Revenue Expenditure, and Credits.
5. Stock, Share and Loan Capital Accounts.
6. General Stores, Permanent Way material, Locomotive, Carriage, Wagon, and other Stock Accounts.
7. Capital and Revenue Assets and Liabilities, and half-yearly General Balances.

In other words, it is the duty of the professional auditor to satisfy himself that revenue earnings are correctly recorded ; that cash and bills received are duly paid into bank ; that all expenditure is properly vouched and apportioned as between Revenue and Capital ; that the Stock, Share, and Loan Capital Accounts, as published, correspond with the Capital, Stock, Debenture, and General Ledgers of the Company ; that Capital and Revenue assets and liabilities are clearly stated ; and that the dividends proposed to be paid have been fairly earned.

With regard to the first item, "Traffic or revenue earnings," we observe on page 224 of Mr. Fisher's book that the certified returns of coaching traffic are summarised by the

accountant in the "Coaching Traffic Abstract Book," the totals of which are carried to a "Coaching Revenue Book," and afterwards passed through Journals to the credit of "Coaching revenue" in the General Ledgers (page 392). The auditor will, of course, thoroughly check these operations, comparing the certified documents with the entries made, and tracing the totals to their final places in the Ledgers.

The same remark applies to the station returns of goods and mineral traffic. The certified debit lists and balance-sheets to which we have referred will be compared with the summaries thereof made by the accountant, and the totals traced into the goods and mineral revenue accounts in the General Ledgers. These entries are described on pages 275, 276, 338, 353, and 394 of "Railway Accounts and Finance."

It will be seen that certain additions to, and deductions from the revenue as declared by stations are made in the accountant's summary. These items are the sums due from or to other railway companies upon "through" traffic. They are, as a rule, ascertained by the Railway Clearing House from the station returns of foreign traffic furnished to that institution. The mileage proportions of the receipts due to, or by, one company to another are there worked out, and the results embodied in monthly statements which are sent to each company interested. These statements, signed by the secretary of the Railway Clearing House, are checked by the company's accountant, and the totals dealt with as we have explained. It will be the duty, therefore, of the professional auditor to compare these and other similar statements with the entries in the Revenue Books and General Ledgers, and to satisfy himself that they have been correctly made and passed to the debit or credit of the right accounts.

Having checked the records of the debits against stations in respect of traffic, the cash and drafts received on account

thereof require attention. Cash remitted daily by stations is recorded by the secretary in the "Stations Cash Book," described at page 207, and the entries in this book will be checked by the auditor with the Banker's Pass Books and accountant's summaries. Drafts received in payment of mineral toll accounts, and held by the secretary till maturity, are entered in a Bills Receivable Book in the usual way, and posted therefrom to the debit of a "Secretary's Bill Account," and to the credit of the customers. These transactions should be checked in detail, and when bills at maturity are paid into bank the credit entries in the "Secretary's Bill Account" should be compared with the entries in the bank pass books. The balance of the Bill Account requires verification at the close of each half-year by actual comparison with unmatured bills in hand.

After checking cash and bills received on account of traffic with the accountant's summaries, the traffic "outstandings" will be compared in detail with certified statements thereof furnished by the station-masters and agents in respect of coaching and goods traffic, and by the general manager in respect of mineral traffic.

Banking and Drawing Accounts.—It is a sound principle of railway finance that all cash received should be paid into bank to the company's credit, and that payments should be made by cheque. Cash once lodged with the bankers cannot be withdrawn, Mr. Fisher explains, "without the consent of the directors' finance committee, which for the purpose of signing necessary documents and conducting general finance business, meets every week."

We find, therefore, that the Bankers' Pass Books are taken as the basis of the entries in what are called the General Banking Accounts; the latter being simply a record and analysis of (a) bankers' receipts, and (b) bankers' payments, and taking the place of what is ordinarily known as a Cash

Book. (The entries in these books are clearly explained and illustrated on pages 395 to 399.)

The "Bankers' receipts" show first the daily totals of the cash received, a separate account being kept with each bank. The particulars are then inserted and the items classified in appropriate money columns (about twenty) for this purpose, according to the accounts which require crediting in the General Ledgers. Monthly totals are made and are journalised as follows :

" ————— Bank. Dr. to Sundries."

Sundries consisting of traffic outstanding accounts, secretary's bill account (for bills sent to bank at maturity), capital stock, share, loan, personal, and other accounts in the General Ledgers.

The "bankers' payments," on the other hand, contain a record of the daily totals and analysis of payments; the monthly totals being journalised as under :

Sundries. Dr. to ————— Bank.

The sundries in this case consist of (a) cheques paid, posted to the debit of a drawing account, (b) debentures paid off, posted to the debit of the Debenture Capital Account, (c) dividend and interest warrants cashed, posted to the debit of the Dividends and Interest payable Account, etc.

It is the duty of the auditors to examine these entries in the banking accounts, to ascertain, as far as possible, that revenue and capital items are kept distinct and are properly classified, and to trace the items to their proper location in the General Ledgers, observing that cash received on account of traffic agrees with the totals of the cash entries in the traffic summaries before referred to. The auditors will also compare and initial the cancelled documents for debentures or other loans paid off.

The numbers and amounts of all dividend and interest warrants issued by the secretary are entered in books kept for this purpose by the accountant's department. When

warrants are cashed, the entries are marked off with name of the paying bank and date, and warrants remaining unpaid or outstanding at the end of each half-year are carried forward. These transactions will be checked by the auditor, but instead of comparing the items marked as "paid" with the Bankers' Pass Books, he will compare them with the cashed warrants which he will obtain from the secretary for this purpose, so securing a perfectly independent check. He will afterwards scrutinise the outstanding list with the balance shown in the dividends and interest outstanding accounts in the ledger.

Cheques Journal.—All cheques drawn are recorded in this book and are posted to the credit of the drawing account above mentioned, and to the debit of capital or revenue expenditure accounts as explained further on. Cheques paid by the bankers should be compared with the "Cheques Journal" by the auditor, and the entries initialled; and it should be seen that those not initialled as paid at the end of the half-year agree in total with the credit balance of the drawing account in the Ledger.

V.

We now come to a more important branch of the auditor's duties, *viz.*, the checking of "Expenditure." He should see, not only that accounts paid have been properly certified and vouched, but also that they are correctly charged to Capital or Revenue Expenditure as the case may require. In doing this it is essential that the auditor should have a clear discrimination as to what may be charged to Capital Account, and what ought to be charged against Revenue. According to the views of many accountants, if the principles laid down by Mr. Fisher were always acted on, the auditor would

have few, if any, objections to raise. Mr. Fisher thus defines Capital and Revenue expenditure:—

“The money so raised, or ‘Receipts’ on Capital Account, is applicable only to expenditure on Capital Account; that is, to the construction of the railways and works authorised by the Act of Parliament, including the payment of preliminary expenses incurred in surveying, making plans, etc., in forming the company, and obtaining the Act; also all expenditure for the completion, adaptation, and equipment with working stock of the railway, works, and buildings for the accommodation of the estimated traffic requirements.

“Subsequent expenditure may be ‘capital’ which is incurred in respect of extensions, enlargements, alterations, and substantial permanent improvements of works or buildings which add to the original value or durability of the property.

“The charges on revenue, or ‘revenue expenditure,’ include expenses of management and operation, repairs and maintenance of the railway, works, buildings, and working stock; or, when worn out, their renewal or replacement, so as to keep the property of the company up to its capital value. Revenue expenditure also includes the following:—

“(a) Rents paid for the use of lines and stations of other companies; (b) Parliamentary expenses, consisting of costs of opposition to Bills promoted by other companies or individuals, and costs of unsuccessful applications for Parliamentary powers to construct new lines, or for other purposes; (c) miscellaneous law and Parliamentary charges in connection with the working of the railway; (d) mileage and demurrage on other companies’ working stock; (e) rates and taxes.”

In the system of accounting described by Mr. Fisher, all expenditure is classified in books for this purpose. These give the date and number of the voucher, name, particulars, and amount of outlay, and the name of the Capital or

Revenue Account chargeable therewith. As the total of these classified entries is made to agree with the total amount of cheques drawn (excepting such as are charged to personal accounts), and as the "cheque numbers" are made the "voucher" numbers, it is a comparatively simple matter for the auditor and assistants to trace the items, and to check simultaneously the vouchers and receipts with the entries in the Classification Books; the Cheque Journal for cheques drawn; and the Bankers' Pass Books for cheques paid. In doing this work several matters of importance will present themselves to the mind of an expert. He will see, as far as he can, by an examination of the vouchers, that the right branch of expenditure is charged therewith, and that Capital outlays have been properly sanctioned. In the event of the rebuilding of bridges or stations, or the reconstruction of sidings, it is clearly within his duty to enquire whether the right proportion has been charged to Revenue and Capital respectively, so that the Capital charge may only represent the additions to the "original value or durability of the property." In the event of any branches or sidings being abandoned he will ascertain that the Capital Account is credited with the value of old materials and land sold. It may also be a debateable point whether provision should be made for writing off the balance of the original cost (if any) after crediting these items. The auditor will see that purchases of stores and material for stock are charged to the Stock Accounts in the Ledgers, and that the proper Revenue or Capital Accounts are charged, at fair average prices, with materials used out of stock in accordance with certified statements of issues, and the stock accounts credited therewith.

In connection with the wages of an army of railway men, it would not be possible for a professional auditor to examine the weekly signatures; nor, perhaps, even the certificates of station-masters and pay-clerks that amounts entered

on the pay-bills, and signed for by the men, had "been paid as expressed." This is a duty which must devolve on the railway accountant, whose staff audit the salary and wages payments, make visits themselves at uncertain intervals to see that the men claim and receive the right amounts, and also take care that salaries or wages not duly claimed are returned to the secretary of the company, and by him paid to bank to the credit of Expenditure. The auditor will, however, see that a proper receipt is obtained from the cashiers in whose name salary and wages cheques are drawn, and who are responsible for the distribution of the amounts, in accordance with the pay-bills, among the stations in their respective districts. He will, moreover, satisfy himself that stoppages from salaries and wages for rents, club, assurance, superannuation, and the like, are duly paid or credited to the right accounts.

Another important matter which claims the careful attention of the professional auditor is payments made to the solicitors of companies for the purchase of land and property, vendors' and Parliamentary costs, claims, and general law expenses. The auditor will, of course, require, in addition to the solicitor's own acknowledgment, the production of the deeds of conveyance, and receipted bills. He will also, from time to time, call for the documents relating to money received for the company for sales of surplus lands, money received out of court, debts recovered, and costs of suits awarded, and will see that these items are duly paid over to the company, and passed to their right location in the Ledgers through the Cash or Banking Accounts.

Having completed his examination of the detailed entries in the expenditure Classification Books, the auditor will next compare the totals with the Ledger postings. It will be borne in mind that the gross amount of all the entries in these classifications of expenditure, constituting the debit to

the various Capital or Revenue Accounts concerned, should correspond with the amount of cheques drawn as per Cheques Journal; the latter constituting the "credit" to the Drawing Account, and so completing the double entry in the Ledger. As we have before intimated, however, cheques drawn in payment of personal accounts in the General Ledgers are dealt with separately, and are posted direct from the Cheques Journal to the debit of those accounts, and to the credit of the Drawing Account. The credits to these personal accounts may have their origin in various ways. They may, for instance, constitute deductions from Revenue in respect of proportions of through bookings due to other railway companies. We referred to this matter when dealing with "Traffic or Revenue earnings and charges thereon."

VI.

We may now refer to the credit side of the Expenditure Account. It will be readily seen, even by the uninitiated, that railway companies must of necessity undertake many services for which special charges are compelled to be made. They must, for instance, undertake for each other the repairs of working stock which may become disabled while away from the parent company's line; they must also repair disabled wagons belonging to private traders; maintain private sidings; and perform sundry other services involving much time and material. Mr. Fisher points out in his book how this is done, and how the accounts are prepared by the various departments for these services, and sent with accompanying lists to the accountant of the company, to be examined, recorded, and sent out by him to the parties

concerned. It will therefore be the duty of the auditor to call for these lists and examine the same, tracing the charges for services and materials to the credit of the various Expenditure Accounts and to the debit of the Personal Accounts in the Ledgers.

There will probably be various other credits and charges to Expenditure Accounts which have their origin in special Journal entries. The Journals should therefore be carefully examined, and every entry investigated which has not been verified through Revenue, Banking, Expenditure, or other Books. Nothing is simpler than the making of Journal entries, transferring items from the debit or credit of one account to the debit or credit of another. The why and the wherefore of all such entries should therefore be ascertained, and unless they are in simple rectification of an error, they should in all cases carry evidence that they have been properly sanctioned. These are some of the principal matters which will present themselves in reference to Expenditure.

We may here refer to an important branch of Revenue not elsewhere noticed, viz., rents from railway companies' tenants. The rental properties of railway companies are, as a rule, placed under the care of their official Estate Agents. While these gentlemen assess the rents they do not usually collect them. This latter duty is properly undertaken by a staff of rent collectors in the department of the secretary, who write up the debits in their rent-roll from the estate agent's advices, no allowances being made without his authority. Cash collected is paid to the company's bankers to the credit of this account.

At the end of each half-year the accountant is furnished by the estate agent with a certified statement of the gross rent debit; the secretary, at the same time, furnishing a balance-sheet giving his version of the debit, cash, and other credits, and balances to collect. These statements are

examined in detail by the accountant, and by him submitted, with the necessary Journal and Ledger entries, to the auditor for further examination, in the course of which the latter will see that the cash entered in the secretary's statement corresponds with the Banking Account, that other credits have been duly vouched, and that the balance agrees with the Ledger Account.

Stock, Share, and Loan Capital Accounts.—The Capital Stock Ledgers and Registers of Debentures are usually kept by the secretary; and the basis of original entries in these books is, of course, the cash received by the company's bankers. This, in the system under review, is recorded by the accountant in the "Bankers' Receipts" Book, and passed by Journal entry to the credit of the Stock, Share, or Loan Capital Accounts in the General Ledger. Debentures which have been paid off, are, as we have pointed out, passed to debit of the Loan Capital Account by Journal entry, which has its origin in the "Bankers' Payments" Book. These entries are therefore verified in the usual course of audit. It then remains for the auditor to satisfy himself that the secretary's records agree with the cash received, and this will be done by calling for a certified summary of the Stock, Share, and Debenture-holders' balances and comparing the totals thereof with the Ledger balances, applying such further checks as he may consider desirable in order to prove their general accuracy.

When a detailed and continuous audit of the Secretary's Registers devolves on the company's accountant, and he is held responsible for the accuracy of the entries made, it is not necessary for the professional auditor to do more than we have indicated. In fact, in the absence of some special arrangement to the contrary, we could scarcely suppose that the fees ordinarily voted to him would compensate for the time which would be occupied by a detailed check of these books, containing, as they

frequently do, tens of thousands of transfer and other entries. The appointment, however, of the company's accountant to this duty, and the certificate of the latter, in no way diminishes the responsibility of the auditor so far as the verification of Cash Balances are concerned, and he will, therefore, see that the amount actually paid upon stocks, shares, and debentures, or credited as paid in the General Ledgers, agrees with the certified summary of Stock, Share, and Loan Balances in the Secretary's Books.

General Stores, Permanent Way, Material and other Stock Accounts.—We have remarked that these accounts in the Ledgers are debited with purchases and credited with issues to the consuming departments, and we have seen how these transactions are verified in the audit of Expenditure; it remains, therefore, for the auditor to compare the Ledger Stock Balances with actual stock according to detailed statements of stock certified by the heads of departments concerned, and countersigned by the company's accountant, by whose staff all details are checked. The auditor will, of course, pay due attention to the valuation prices, and ascertain that these are taken at fair rates. He will, moreover, examine items of actual stock and corresponding entries in the valuation to such an extent as will satisfy him as to the correctness of the whole account, at the same time seeing that proper adjustment entries have been made in the books for differences established by the valuation.

We have now to consider a few additional matters which must, of necessity, receive the attention of the auditor before he can certify the correctness of the statements which have been laid before him. It is assumed that all details and additions have been checked, Ledger Balances brought down, and the Balance Sheet and Statement of Accounts prepared for publication.

The auditor will compare the totals of the Expenditure

Accounts in the Ledgers with the totals of the Expenditure Classification Book.

He will call for the production of the following:—

A. Letters addressed by the bankers to the chairman of the finance committee, advising the balance at the credit of the company's account. These will be compared with the Ledger Balances.

B. Statements of bankers and discount houses to vouch any amounts outstanding for temporary loans and interest due to or by the company.

C. Certificates representing investments in the stocks, shares, or debentures of other railway companies.

D. Secretary's Bill Ledger and list of bills on hand (previously checked in detail) for comparison with the General Ledger.

E. Coaching, Goods, and Mineral Revenue Balance Sheets (previously examined in detail) for comparison with Traffic Outstanding Accounts in the Ledger.

The auditor's next proceeding will be to see, as far as possible, that ample provision has been made to meet Revenue liabilities, traffic drawbacks, &c., and that the Ledger Balances are correctly extracted and properly grouped in the Balance Sheet. He will then compare the latter and the Ledger, as far as is practicable, with the proof of the printed accounts. In examining the printed accounts, it will be seen that entries of new capital authorised are in accordance with capital powers conferred by Act of Parliament, that the assent of shareholders has been given to entries of "capital created or sanctioned," and that capital powers not exercised and Capital Cash Balances are correctly represented. The detailed statement of capital expenditure presented to shareholders should also receive the auditor's careful attention, and, notwithstanding his previous examination of vouchers for the Expenditure, he will, if necessary, further satisfy himself that the outlays are

chargeable to Capital by a closer investigation, and by a conference with the company's engineers.

He will finally examine the balance available for dividend, and the proposed appropriation thereof. It is questionable how far, if at all, it is an auditor's duty to go into such questions as the proper maintenance of the railway, works, working stock, or machinery. The company's engineers and mechanical superintendents, whose certificates are attached to the published accounts, would free the auditor from responsibility in these matters. Where such certificates are given, and repairs, renewals, and replacements out of current revenue are constantly going on, questions of depreciation do not arise. If repairs or renewals fall into arrear, provision for prospective expenditure may properly be made, but this is a factor which directors and permanent officials claim to determine; and in this case the responsibility of the professional auditor does not necessitate his going behind the certificates referred to above. Many other, and perhaps more knotty points, may arise in the course of an audit of a railway company's accounts which the auditor who has a firm grasp of the true principles of railway finance will have no difficulty in unravelling.

In concluding this series of articles, based on Mr. Fisher's admirable and exhaustive treatise, we would add that the importance of the auditor's position, and his responsibility to the shareholders who elect him, imperatively demand that he should maintain an independent attitude in all matters submitted to his judgment, and bring to bear upon them a sound practical knowledge, which will firmly establish his position, increase his influence, and that of his profession.

SOME EXTRACTS FROM OPINIONS OF THE PRESS.

In reviewing the work *The Times* remarked, "Mr. J. Alfred Fisher's 'Railway Accounts and Finance' should prove serviceable to all who are practically concerned in the management and economy of railways. Mr. Fisher's long experience in connection with the Midland Railway entitles him to speak with authority. But we take some exception to the sentence with which his book opens: 'It is well known that passengers by railway in this country must, before commencing their journey, procure tickets at the booking-office of the company by whose line they desire to travel.' Railway officials are sometimes inclined to magnify their office, and it might not, therefore, have been amiss if Mr. Fisher, instead of committing himself to the vague but disputable statement quoted above, had cited in so many words the existing law on the subject. The same remark applies to the statement on page 20, that 'passengers arriving at any station without tickets are liable to be charged from the place at which the train started.'"

"Should prove serviceable to all who are practically concerned in the management and economy of railways. Mr. Fisher's long experience entitles him to speak with authority."—*The Times*.

"This work merits attention from all who are interested in the good management of Indian Railways. The author is to be commended on his admirable arrangement and grouping of facts."—*Times of India*.

"The result of much study and experience, and an exhaustive treatise. . . . Should be of considerable value."—*Morning Post*.

"Those who would get a notion of the magnitude of railway enterprise in this country may readily do so by turning to Mr. Fisher's solid volume." (This morning's news.)—*Daily News*.

"It is not too much to say that the railway official who masters Mr. Fisher's book will be able to distinguish himself in the service whenever an opportunity offers. He will be in the position of the artificer who understands the scientific principles underlying his craft, and will know not only the *how*, but also the *why* of his work. Though this may be one of the effects of Mr. Fisher's book, we can yet well believe, if it receive the attention its merits deserve, that it will have other and far wider reaching effects."—*London Daily Chronicle*.

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"A large book on a large subject. . . . It impresses the student with the idea that Mr. Fisher thoroughly understands the subject upon which he treats, and having this complete grasp he is able to impart his knowledge for the benefit of others in a clear and forcible manner."—*Capitalist*.

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"Mr. Fisher ought to have a large number of readers who will have special reason to be grateful for his labours. But there is much that is generally interesting in his exhaustive volume, which must have cost him an infinite amount of trouble; and I commend it to the attention of all who are interested in the working of railways whether at home or abroad."—*London Figaro*.

"The author describes in a clear and comprehensive manner the way in which the railway companies record and divide their receipts, and also how the expenditure in all departments is controlled and audited. The book cannot fail to interest railway men of all ranks."—*Review of Reviews*.

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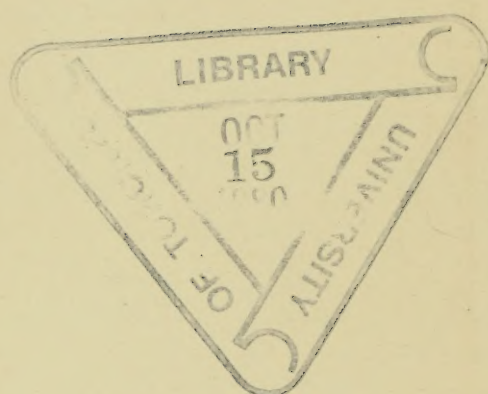
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